



# CITY COUNCIL Agenda

August 21, 2018 9 a.m.

Council Chamber  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008

## Welcome to Your City Council Meeting

We welcome your interest and involvement in the city's legislative process. This agenda includes information about topics coming before the City Council and the action recommended by city staff. You can read about each topic in the staff reports, which are available on the city website and in the Office of the City Clerk. The City Clerk is also available to answer any questions you have about City Council meeting procedures.

## How to Watch

The City of Carlsbad provides three ways to watch a City Council meeting:

### In Person



Most City Council meetings take place at City Hall, 1200 Carlsbad Village Drive

### On TV



Watch live and replays of meetings on Charter Spectrum channel 24 and AT&T U-verse channel 99

### Online



Watch the livestream and replay past meetings on the city website, [www.carlsbadca.gov](http://www.carlsbadca.gov)

## How to Participate

If you would like to provide comments to the City Council, please:

- Fill out a speaker request form, located in the foyer.
- Submit the form to the City Clerk before the item begins.
- When it's your turn, the City Clerk will call your name and invite you to the podium.
- Speakers have three minutes, unless the presiding officer (usually the mayor) changes that time.
- You may not give your time to another person, but groups can select a single speaker as long as three other members of your group are present. Group representatives have 10 minutes unless that time is changed by the presiding officer or the City Council.

## Reasonable Accommodations

Persons with a disability may request an agenda packet in appropriate alternative formats as required by the Americans with Disabilities Act of 1990. Reasonable accommodations and auxiliary aids will be provided to effectively allow participation in the meeting. Please contact the City Manager's Office at 760-434-2821 (voice), 711 (free relay service for TTY users), 760-720-9461 (fax) or [manager@carlsbadca.gov](mailto:manager@carlsbadca.gov) by noon on the Monday before the meeting to make arrangements.

**More information about City Council meeting procedures can be found at the end of this agenda and in the Carlsbad Municipal Code chapter 1.20.**

*The City Council also sits as the Carlsbad Municipal Water District Board, Public Financing Authority Board, Community Development Commission and Successor Agency to the Redevelopment Agency. When considering items presented to the Carlsbad Municipal Water District Board, each member receives an additional \$100 per meeting (max \$300/month). When considering items presented to the Community Development Commission each member receives an additional \$75 per meeting (max \$150/month).*

**CALL TO ORDER:**

**ROLL CALL:**

**ANNOUNCEMENT OF CONCURRENT MEETINGS:** Council is serving as both the Carlsbad City Council and the Carlsbad Municipal Water District Board of Directors on Item No. 8.

**PLEDGE OF ALLEGIANCE:**

**INVOCATION:** None.

**APPROVAL OF MINUTES:**

Minutes of the Regular Meeting held June 12, 2018

Minutes of the Regular Meeting held June 26, 2018

Minutes of the Special Meeting held July 10, 2018

Minutes of the Regular Meeting held July 17, 2018

Minutes of the Special Meeting held July 31, 2018

**PRESENTATIONS:** None.

**PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION:**

**PUBLIC COMMENT:** *In conformance with the Brown Act, no Council action can occur on items presented during Public Comment. A total of 15 minutes is provided so members of the public can address the Council on items that are not listed on the Agenda. Speakers are limited to three (3) minutes each. If you desire to speak during Public Comment, fill out a SPEAKER CARD and submit it to the City Clerk. If there are more than five (5) speakers, the remaining speakers will be heard at the end of the agenda just prior to Council Reports. When you are called to speak, please come forward to the podium and state your name.*

**CONSENT CALENDAR:** *The items listed under Consent Calendar are considered routine and will be enacted by one motion as listed below. There will be no separate discussion on these items prior to the time the Council votes on the motion unless members of the Council, the City Manager, or the public request specific items be discussed and/or removed from the Consent Calendar for separate action. A request from the public to discuss an item must be filed with the City Clerk in writing prior to Council consideration of the Consent Calendar.*

**WAIVER OF ORDINANCE TEXT READING:**

This is a motion to waive the reading of the text of all ordinances and resolutions at this meeting.

1. **REPORT ON CITY INVESTMENTS** – Acceptance of report on City Investments as of June 30, 2018. (Staff contact: Nancy Sullivan, Administrative Services)
2. **APPOINTMENT TO THE CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT AND CARLSBAD GOLF LODGING BUSINESS IMPROVEMENT DISTRICT** – Adopt a Resolution appointing Brian Hughes to the Carlsbad Tourism Business Improvement District; and,  
Adopt a Resolution appointing Brian Hughes to the Carlsbad Golf Lodging Business Improvement District. (Staff contact: Tammy McMinn, City Clerk Department)

3. APPROVAL OF MOU WITH CARLSBAD UNIFIED SCHOOL DISTRICT FOR SCHOOL RESOURCE OFFICERS – Adoption of a Resolution approving a Memorandum of Understanding between the City of Carlsbad and Carlsbad Unified School District for the fiscal year 2018-19 School Resource Officer Program. (Staff Contact: Cindy Anderson, Public Works)

**ORDINANCES FOR INTRODUCTION:** None.

**ORDINANCES FOR ADOPTION:**

4. AMENDMENTS TO SHORT TERM VACATION RENTAL ORDINANCE – Adoption of Ordinance No. CS-338 amending Carlsbad Municipal Code Chapter 5.60 Short-Term Vacation Rentals, clarifying and adding regulations governing short-term vacation rentals. (Staff contact: Kerry Jezisek, Housing & Neighborhood Services)

**City Manager's Recommendation:** Adopt Ordinance No. CS-338.

5. ACKNOWLEDGEMENT OF CALIFORNIA COASTAL COMMISSION'S RESOLUTION OF CERTIFICATION FOR PROHIBITED USES CLARIFICATION – Adoption of Ordinance No. CS-339 acknowledging receipt of the California Coastal Commission's Resolution of Certification including suggested modifications for LCPA 2017-0003, and approving associated suggested modifications to the Zoning Ordinance and Local Coastal Program. Case Name: Prohibited Uses Clarification Amendment. Case No.: ZCA 2017-0002/LCPA 2017-0003 (PUB17Y-0015)). (Staff contact: Corey Funk, Community & Economic Development)

**City Manager's Recommendation:** Adopt Ordinance No. CS-339.

**PUBLIC HEARINGS:** None.

**DEPARTMENTAL AND CITY MANAGER REPORTS:**

6. PRESENTATION FROM SANDAG AND CALTRANS REPRESENTATIVES – Receive a presentation from SANDAG and Caltrans representatives regarding the Interstate 5 North Coast Corridor Program Phase 1 (Build NCC). (Staff contact: Jason Haber, City Manager Department)

**City Manager's Recommendation:** Receive the presentation.

7. LICENSE PLATE READER UPDATE AND CONSIDERATION OF EXPANSION OF THE PROGRAM – Receive an update on the License Plate Reader (LPR) program and consider adoption of a Resolution to enter into a contract for the purchase of the license plate reader hardware components, execute an Enterprise Service Agreement directly with Vigilant Solutions, LLC, and approve the use of funds in an amount not to exceed \$537,384.73. (Staff contact: Cindy Anderson, Police Department)

**City Manager's Recommendation:** Receive the update and consider expansion of the program and adoption of the Resolution.

8. ORION CENTER UPDATE AND APPROVAL OF AMENDMENT TO CONTRACT WITH ROESLING, NAKAMURA TERADA ARCHITECTS, INC. – Adopt a Resolution authorizing Amendment No. 3 to the Professional Services Agreement with Roesling, Nakamura, Terada Architects, Inc. to incorporate

additional work scope into the bridging documents for the Orion Center, Project No. 3572, in an amount not to exceed \$320,000, and an additional net appropriation of \$16,505,000; and Adopt a Resolution of the Board of Directors of the Carlsbad Municipal Water District Board (CMWD) appropriating additional funds of \$2,660,000 for the Orion Center, Project No. 3572. (Staff contact: Steven Stewart, Public Works)

**City Manager’s Recommendation:** Adopt the Resolutions.

**COUNCIL COMMENTARY AND REQUESTS FOR CONSIDERATION OF MATTERS:**

**City Council Regional Assignments (Revised 1/10/18)**

<b>Matt Hall</b>	North County Mayors and Managers
<b>Mayor</b>	San Diego County Water Authority (SDCWA) Board of Directors
	SANDAG Board of Directors

<b>Keith Blackburn</b>	Buena Vista Lagoon JPC
<b>Mayor Pro Tem</b>	Encina Joint Powers (JAC)
	Encina Wastewater Authority Board of Directors
	North County Dispatch Joint Powers Authority
	SANDAG Board of Directors (1st Alternate)

<b>Mark Packard</b>	Chamber of Commerce Liaison (primary)
<b>Council Member</b>	North County Transit District Board of Directors
	North County Dispatch Joint Powers Authority (alternate)
	SANDAG (2nd alternate)

<b>Michael Schumacher</b>	Chamber of Commerce Liaison (alternate)
<b>Council Member</b>	City/School Committee
	Encina Joint Powers (JAC)
	Encina Wastewater Authority Board of Directors
	San Diego County Regional Airport Authority Board of Directors

<b>Cori Schumacher</b>	Buena Vista Lagoon JPC
<b>Council Member</b>	League of California Cities - SD Division
	North County Transit District Board of Directors (alternate)
	City/School Committee

**PUBLIC COMMENT:** Continuation of the Public Comments

*This portion of the agenda is set aside for continuation of public comments, if necessary, due to exceeding the total time allotted in the first public comments section. When you are called to speak, please come forward to the podium and state your name. The remainder of the categories are for reporting purposes. In conformance with the Brown Act, no public testimony and no Council action can occur on these items.*

**ANNOUNCEMENTS:**

This section of the Agenda is designated for announcements to advise the community regarding events that Members of the City Council have been invited to, and may participate in.

**CITY MANAGER COMMENTS:**

**CITY ATTORNEY COMMENTS:**

**ADJOURNMENT:**

## City Council Meeting Procedures *(continued from page 1)*

### Written Materials

Written materials related to the agenda that are submitted to the City Council after the agenda packet has been published will be available for review prior to the meeting during normal business hours at the City Clerk's office, 1200 Carlsbad Village Drive and on the city website. To review these materials during the meeting, please see the City Clerk

### Visual Materials

Visual materials, such as pictures, charts, maps or slides are allowed for comments on agenda items, not general public comment. Please contact the City Manager's Office at 760-434-2820 or [manager@carlsbadca.gov](mailto:manager@carlsbadca.gov) to make arrangements in advance. All materials must be received by the City Manager's Office no later than noon the day before the meeting. The time spent presenting visual materials is included in the maximum time limit provided to speakers. All materials exhibited to the City Council during the meeting are part of the public record. **Please note that video presentations are not allowed.**

### Decorum

All participants are expected to conduct themselves with mutual respect. Loud, boisterous and unruly behavior can interfere with the ability of the City Council to conduct the people's business. That's why it is illegal to disrupt a City Council meeting. Following a warning from the presiding officer, those engaging in disruptive behavior are subject to law enforcement action.

### City Council Agenda

The City Council follows a regular order of business that is specified in the Carlsbad Municipal Code. The City Council may only make decisions about topics listed on the agenda.

### Presentations

The City Council often recognizes individuals and groups for achievements and contributions to the community. Well-wishers often fill the chamber during presentations to show their support and perhaps get a photo. If you don't see an open seat when you arrive, there will likely be one once the presentations are over.

### Consent Items

Consent items are considered routine and may be enacted together by one motion and vote. Any City Council member may remove or "pull" an item from the "consent calendar" for a separate vote. Members of the public may pull an item from the consent calendar by requesting to speak about that item. A speaker request form must be submitted to the clerk prior to the start of the consent portion of the agenda.

### Public Comment

Members of the public may speak on any city related item that does not appear on the agenda. State law prohibits the City Council from taking action on items not listed on the agenda. Comments requiring follow up will be referred to staff and, if appropriate, considered at a future City Council meeting. Members of the public are also welcome to provide comments on agenda items during the portions of the meeting when those items are being discussed. In both cases, a request to speak form must be submitted to the clerk in advance of that portion of the meeting beginning.

### Public Hearing

Certain actions by the City Council require a "public hearing," which is a time within the regular meeting that has been set aside and noticed according to different rules.

### Departmental Reports

This part of the agenda is for items that are not considered routine and do not require a public hearing. These items are usually presented to the City Council by city staff and can be informational in nature or require action. The staff report about each item indicates the purpose of the item and whether or not action is requested.

## **Other Reports**

At the end of each meeting, City Council members and the city manager, city attorney and city clerk are given an opportunity to share information. This usually includes reports about recent meetings, regional issues, and recent or upcoming meetings and events.

## **City Council Actions**

### **Resolution**

A resolution is an official statement of City Council policy that directs administrative or legal action or embodies a public City Council statement. A resolution may be introduced and adopted at the same meeting. Once adopted, it remains City Council policy until changed by subsequent City Council resolution.

### **Ordinance**

Ordinances are city laws contained in the Carlsbad Municipal Code. Enacting a new city law or changing an existing one is a two-step process. First, the ordinance is “introduced” by city staff to the City Council. If the City Council votes in favor of the introduction, the ordinance will be placed on a subsequent City Council meeting agenda for “adoption.” If the City Council votes to adopt the ordinance, it will usually go into effect 30 days later.

### **Motion**

A motion is used to propose City Council direction related to an item on the agenda. Any City Council member may make a motion. A motion must receive a “second” from another City Council member to be eligible for a City Council vote.



# CITY COUNCIL Minutes

Council Chamber  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008

June 12, 2018, 6 p.m.

**CALL TO ORDER:** 6:00 p.m.

**ROLL CALL:** M. Hall, K. Blackburn, M. Schumacher C. Schumacher.  
M. Packard – Absent.

**ANNOUNCEMENT OF CONCURRENT MEETINGS:** Mayor Hall announced Council is serving as the Carlsbad Municipal Water District Board of Directors, Public Financing Authority and Community Development Commission for Public Hearing Item No. 13.

**INVOCATION:** None.

**PLEDGE OF ALLEGIANCE:** Mayor Pro Tem Blackburn led the Pledge of Allegiance.

**APPROVAL OF MINUTES:**

Minutes of the Special Meeting held April 10, 2018.

Minutes of the Regular Meeting held April 24, 2018.

Minutes of the Special Meeting held May 22, 2018.

Minutes of the Special Meeting held May 31, 2018.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to approve the minutes as presented. Motion carried, 4/0/1 (M. Packard – Absent).

**PRESENTATION:**

Proclamation in recognition of Historic Preservation Month and 3<sup>rd</sup> Grade Art Presentation.

Mayor Pro Tem Blackburn presented the Proclamation to Historic Preservation Commission Member Laurie Boone. Members of the Commission presented certificates to the 3<sup>rd</sup> Grade Art contest winners.

**RECESS:**

Mayor Hall declared a recess at 6:11 p.m. Mayor Hall reconvened the meeting at 6:17 p.m.

**PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION:** No reportable action.

**PUBLIC COMMENT:**

*Julie Peebles, representing RONPAS, expressed concerns relating to the use of the Monroe Street Pool.*

*Robert Wilkinson provided information (on file in the Office of the City Clerk) relating to the Village and Barrio Master Plan and suggested recommendations for changes.*

**CONSENT CALENDAR:**

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to approve Consent Calendar Item Nos. 1 and 3, 4 and 6 - 10. Motion carried, 4/0/1 (M. Packard – Absent).

1. REPORT ON CITY INVESTMENTS – Acceptance of report on City Investments as of April 30, 2018. (Staff contact: Nancy Sullivan, Administrative Services)

*This item was pulled for discussion.*

2. ANNUAL REPORT OF INVESTMENT PORTFOLIO AS OF JUNE 30, 2017 – Acceptance of Annual Report of Investment Portfolio as of Fiscal Year ended June 30, 2017. (Contact: Craig Lindholm, City Treasurer)
3. SET PUBLIC HEARING FOR STREET LIGHTING AND LANDSCAPING DISTRICT NO. 1 – Adoption of Resolution No. 2018-084 initiating the proceedings, approving the preliminary engineer's report for Fiscal Year 2018-19 and setting a public hearing for July 10, 2018, for the Annual Levy of Assessments within Lighting and Landscaping District No. 1, a special assessment district. (Staff contact: Roxanne Muhlmeister, Administrative Services)
4. SET PUBLIC HEARING FOR STREET LIGHTING AND LANDSCAPING DISTRICT NO. 2 – Adoption of Resolution No. 2018-085 initiating the proceedings, approving the preliminary engineer's report for Fiscal Year 2018-19 and setting a public hearing for July 10, 2018, for the Annual Levy of Assessments within Lighting and Landscaping District No. 2, a special assessment district. (Staff contact: Roxanne Muhlmeister, Administrative Services)

*This item was pulled for discussion.*

5. RESOLUTION OF SUPPORT FOR THE FEDERAL GOVERNMENT'S OPPOSITION TO CALIFORNIA'S "SANCTUARY STATE" LAWS – Adoption of a Resolution expressing support for the Federal opposition to California's "Sanctuary State" laws, including Assembly Bill 450, Assembly Bill 103 and Senate Bill 54 (The California Values Act); and authorizing the filing or joining of an amicus curiae brief on behalf of the City in support of the United States upon appeal of the lawsuit – *United States of America v. California*. (Staff Contact: Jason Haber, City Manager's Office)
6. AUTHORIZE AN EASEMENT TO SAN DIEGO GAS AND ELECTRIC, CASE NAME: SHOPPES AT CARLSBAD - Adoption of Resolution No. 2018-087 granting an easement to San Diego Gas and Electric over a portion of Lot 9 of Map 8956, generally described as the parking lot for the Shoppes at Carlsbad Shopping Center, Case No. SDP09-04. (Staff contact: Kyrenne Chua, Community & Economic Development)
7. MUTUAL THREAT ZONE COOPERATIVE FIRE PROTECTION AGREEMENT - Adoption of Resolution No. 2018-088 approving the Mutual Threat Zone Cooperative Fire Protection (MTZ) Agreement between the Carlsbad Fire Department and California Department of Forestry and Fire Protection – San Diego Unit (Cal Fire); and authorizing the Fire Chief, on behalf of the City, to execute the MTZ with Cal Fire. (Staff contact: Mike Davis, Fire Department)

8. MEMORANDUM OF UNDERSTANDING WITH SAN DIEGO ASSOCIATION OF GOVERNMENTS – Adoption of Resolution No. 2018-089 authorizing the Mayor to execute a Memorandum of Understanding between the San Diego Association of Governments (SANDAG) and the City of Carlsbad, regarding the Regional Shoreline Monitoring Program. (Staff contact: Kyle Lancaster, Parks & Recreation)
9. AWARD OF CONTRACT TO K.C. EQUIPMENT, INC. FOR CONSTRUCTION OF 2018 CONCRETE REPLACEMENT - Adoption of Resolution No. 2018-090 accepting bids and awarding a contract to K.C. Equipment, Inc. for an amount not to exceed \$498,828 for the construction of the 2018 Concrete Replacement, Project No. 6013-18. (Staff contact: Emad Elias, Public Works)
10. SAN DIEGO FOUNDATION MITIGATION ENDOWMENT FUND AGREEMENT – Adoption of Resolution No. 2018-091 authorizing execution of the San Diego Foundation Mitigation Endowment Fund Agreement and transfer of existing funds from the General Fund into the Endowment Fund for long-term management of the Poinsettia Station Vernal Pool Preserve. (Staff contact: Rosanne Humphrey, Public Works)

*This item was pulled for discussion.*

11. MASTER PURCHASE AGREEMENT WITH TRAFFICWARE GROUP, INC. – Adoption of a Resolution authorizing execution of a Master Purchase Agreement with Trafficware Group, Inc. for an amount not to exceed \$2,500,000 for the procurement of traffic signal equipment for the Adaptive Traffic Signal Program, Project No. 6326, and appropriation of funds in the amount of \$1,150,000. (Staff contact: Doug Bilse, Public Works)

**CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION:**

*This item was pulled for discussion by Council Member C. Schumacher.*

2. ANNUAL REPORT OF INVESTMENT PORTFOLIO AS OF JUNE 30, 2017 – Acceptance of Annual Report of Investment Portfolio as of Fiscal Year ended June 30, 2017. (Contact: Craig Lindholm, City Treasurer)

Council Member C. Schumacher made the following comment for the record relating to the fiscal year 17-18 preview and in response to “backdrop of terrorist activities places constraints on economic growth.” Council Member C. Schumacher further stated “I am watching the January tariffs on solar panels and washing machines, the June 2018 25% tariffs on imports of steel and 10% tariffs on aluminum which Morgan Stanley has estimated will equate to 4.1% of U.S. imports and how these future tariffs on autos might actually impact the investments of the City and the sales taxes of the City.”

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to accept the Annual Report of Investment. Motion carried, 4/0/1 (M. Packard - Absent).

*This item was pulled for discussion.*

5. RESOLUTION OF SUPPORT FOR THE FEDERAL GOVERNMENT'S OPPOSITION TO CALIFORNIA'S "SANCTUARY STATE" LAWS – Adoption of Resolution No. 2018-086 expressing support for the Federal opposition to California's "Sanctuary State" laws, including Assembly Bill 450, Assembly Bill 103 and Senate Bill 54 (The California Values Act); and authorizing the filing or joining of an amicus curiae brief on behalf of the City in support of the United States upon appeal of the lawsuit – *United States of America v. California*. (Staff Contact: Jason Haber, City Manager's Office)

Assistant to the City Manager Jason Haber provided an overview of the staff report.

*Speakers opposed to proposed resolution: Laura Drelleshak representing a group (Lisa McKethan and Simon Angel); Vicky Syage representing a group (Jan Neff-Sinclair and Hope Nelson); Bill Fowler; Patricia Amador; Lela Panagides; Paula Ilescas; Susy Morales; Marcie Grube; Julie Ajdour; Richard Schlemmer; TJ Childs; Cristina Garcia; Leticia Cazares; Steve Schaefer; Ann Force; Liz Myers-Chamberlin; Gretta Schmidt; Corinna Contreras; Karen Abrams; Audrey Critchlow; Melina Nieto; Michele Mandujino; Mary Anne Viney; Diana Bailon; Ken Dalpe; Barbara Meade.*

*Submitted a speaker card in opposition to proposed resolution but did not speak: Coleen Maas; Elaine Krott; Sue Igoe; Diana Ricker.*

*Speakers in support of proposed resolution: Saundra Cima; Bill Sheffler.*

Council Member C. Schumacher spoke in opposition to the resolution.

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt Resolution No. 2018-086. Motion carried, 3/1/1 (C. Schumacher – No; M. Packard - Absent).

**RECESS:**

Mayor Hall declared a recess at 8:07 p.m. Mayor Hall reconvened the meeting at 8:15 p.m.

*This item was pulled for discussion.*

11. MASTER PURCHASE AGREEMENT WITH TRAFFICWARE GROUP, INC. – Adoption of Resolution No. 2018-092 authorizing execution of a Master Purchase Agreement with Trafficware Group, Inc. for an amount not to exceed \$2,500,000 for the procurement of traffic signal equipment for the Adaptive Traffic Signal Program, Project No. 6326, and appropriation of funds in the amount of \$1,150,000. (Staff contact: Doug Bilse, Public Works)

*Michael Kenney representing McCain, Inc. expressed concerns relating to the contract amount.*

*Mehdi Sarram expressed concerns relating to traffic light timing and the amount of emissions that result from cars idling at traffic signals.*

Transportation Director Marshall Plantz presented the staff report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt Resolution No. 2018-092. Motion carried, 4/0/1 (M. Packard - Absent).

**ORDINANCES FOR INTRODUCTION:**

12. ORDINANCE ADDING CHAPTER 11.46 - TEMPORARY RESTRICTIONS ON PUBLIC PROPERTY TO THE CARLSBAD MUNICIPAL CODE – Introduction of Ordinance No. CS-332 adding Chapter 11.46 (Temporary Restrictions on Public Property) to Title 11 of the Carlsbad Municipal Code to authorize temporary restrictions during certain events where it is reasonably anticipated that conflict or non-peaceful behavior may occur. (Staff contact: Cindy Anderson, Police Department)

**City Manager's Recommendation:** Introduce the Ordinance.

Police Captain Mickey Williams presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Council Member C. Schumacher expressed concerns relating to prohibiting political statements and requested that Section 11.46.015 B. 2 in the ordinance be removed. Motion to introduce ordinance as amended failed due to lack of a second.

City Attorney Celia Brewer titled the Ordinance.

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to introduce Ordinance No. CS-332. Motion carried, 3/1/1 (C. Schumacher – No; M. Packard - Absent).

**ORDINANCES FOR ADOPTION:** None.

**PUBLIC HEARING:**

13. FISCAL YEAR 2018-19 OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGETS – Adoption of City Council Resolution No. 2018-093 approving the Final Operating Budget and Capital Improvement Program for Fiscal Year 2018-19 for the City of Carlsbad and establishing controls on changes in appropriations for the various funds; and Adoption of Carlsbad Municipal Water District Resolution No. 1596 approving the Water District Final Operating Budget and Capital Improvement Program for Fiscal Year 2018-19; and Adoption of Community Development Commission Resolution No. 541 approving the Operating Budget of the Carlsbad Housing Authority for Fiscal Year 2018-19; and Adoption of City Council Resolution No. 2018-094, acting as Successor Agency for the Carlsbad Redevelopment Agency, approving the Operating Budget of the Successor Agency and Enforceable Obligations of the City of Carlsbad's Redevelopment Obligation Retirement Fund for Fiscal Year 2018-19; and

Adoption of City Council Resolution No. 2018-095 establishing the 2018-19 appropriation limit as required by Article XIII B of the California State Constitution and State Law; and  
Adoption of City Council Resolution 2018-096 approving changes to the Master Fee Schedule; and

Adoption of City Council Resolution No. 2018-097 determining that the FY 2018-19 Capital Improvement Program Budget is consistent with the General Plan and applicable Climate Action Plan measures and actions; and

Adoption of City Council Resolution No. 2018-098 approving the FY 2018-19 Operating and Capital Budgets of the Encina Wastewater Authority; and

Adoption of City Council Resolution No. 2018-099 approving adjustments to the FY 2017-18 Capital Improvement Program and Operating Budget; and

Adoption of Community Development Commission Resolution No. 542 adjusting the Operating Budget of the Carlsbad Housing Authority for Fiscal Year 2017-18. (Staff contact: Helga Stover, Administrative Services)

**City Manager's Recommendation:** Take public input, close the public hearing and adopt the Resolutions.

Administrative Services Director Chuck McBride and Budget Manager Helga Stover presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

*Mayor Hall opened the duly noticed Public Hearing at 8:58 p.m.*

*John Gama, representing a group, reviewed a PowerPoint presentation (on file in the Office of the City Clerk) and requested that Council pursue a park in coastal southern Carlsbad.*

*Lance Schulte, representing a group, presented a PowerPoint presentation (on file in the Office of the City Clerk) requested that the Council have a public discussion relating to the park issue in coastal South Carlsbad.*

*Mary Lucid spoke in support of more programs at the Senior Center.*

*Ben Churchill, Superintendent of Carlsbad Unified School District, thanked Council for prioritizing safety in schools with the School Resource Officer program.*

*Jean Camp spoke in support of a park in coastal south Carlsbad.*

*Farhad Sharifi spoke in support of thoughtful development of coastal south Carlsbad.*

*Barbara Oeting also spoke in support of thoughtful development of coastal south Carlsbad.*

*Suzanne Berger spoke in support of a park in South Carlsbad.*

*Liam Ferguson spoke in support of a park in the Ponto area.*

*Mayor Hall closed the duly noticed Public Hearing at 9:37 p.m.*

**MINUTE MOTION ACTION:** On a motion by Council Member C. Schumacher, seconded by Mayor Pro Tem Blackburn, Council approved Program Option No. 1 to pay down a portion of the California Public Employees' Retirement System (CalPERS) Unfunded Liability in the amount of \$11 million in Fiscal Year 2017-18. Motion carried - 4/0/1 (M. Packard – Absent).

**MINUTE MOTION ACTION:** On a motion by Mayor Pro Tem Blackburn, seconded by Council Member C. Schumacher, Council approved Program Option No. 2 to add a School Resource Officer position to the Police Department. Motion carried – 4/0/1 (M. Packard – Absent).

**MINUTE MOTION ACTION:** On a motion by Council Member C. Schumacher, seconded by Council Member M. Schumacher, to direct staff to return with a future agenda item relating to Village Intelligent Parking and the Parking Management Plan. Motion carried - 4/0/1 (M. Packard – Absent).

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt City Council Resolution No. 2018-093, CMWD Resolution No. 1596, CDC Resolution No. 541, City Council Resolution Nos. 2018-094, 2018-095, 2018-096, 2018-097, 2018-098, 2018-099 and CDC Resolution No. 542. Motion carried, 4/0/1 (M. Packard - Absent).

14. CARLSBAD TRANSNET LOCAL STREET IMPROVEMENT PROGRAM OF PROJECTS FOR FISCAL YEARS 2018-19 TO 2022-23 – Adoption of Resolution No. 2018-100 approving the Carlsbad Transnet Local Street Improvement Program of Projects for Fiscal Years 2018-19 to 2022-23 for inclusion in the 2018 San Diego Association of Governments Regional Transportation Improvement Program. (Staff contact: Jonathan Schauble, Public Works)

**City Manager's Recommendation:** Take public input, close the public hearing and adopt the Resolution.

Transportation Director Marshall Plantz and Associate Engineer Jonathan Schauble presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

*Mayor Hall opened the duly noticed Public Hearing at 10:20 p.m. Seeing no one wishing to speak, Mayor Hall closed the duly noticed Public Hearing at 10:20 p.m.*

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt Resolution No. 2018-100. Motion carried, 4/0/1 (M. Packard - Absent).

#### **DEPARTMENTAL AND CITY MANAGER REPORTS:**

15. MICROGRID FEASIBILITY STUDY FOR CARLSBAD PUBLIC SAFETY AND SERVICE CENTER COMPLEX – Receive the presentation of an Integrated Demand Side Management Microgrid Feasibility Study for the Carlsbad Public Safety and Service Center complex. (Staff contact: Michael Grim, Public Works)

**City Manager's Recommendation:** Receive the presentation.

Senior Program Manager Mike Grim and Environmental Manager James Wood along with Consultant Ramon Yll-prous of TRC Solutions presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

**ACTION:** Council received the presentation.

16. CITY MANAGER EMPLOYMENT AGREEMENT – Adoption of Resolution No. 2018-101 approving the employment agreement of Scott Chadwick as City Manager. (Staff contact: Celia Brewer, City Attorney)

**City Manager's Recommendation:** Adopt the Resolution.

Mayor Hall announced that pursuant to Government Code Section 54953 final approval of the City Manager's contract will include salary, car allowance and deferred compensation in the amount of \$326,081.

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt Resolution No 2018-101. Motion carried, 4/0/1 (M. Packard - Absent).

**COUNCIL REPORTS AND COMMENTS:**

Mayor Pro Hall and Council Members reported on activities and meetings of some committees and sub-committees of which they are members.

**CITY MANAGER COMMENTS:** None.

**CITY ATTORNEY COMMENTS:** None.

**CITY CLERK COMMENTS:** None.

**ANNOUNCEMENTS:** None.

**ADJOURNMENT:**

Meeting was adjourned at 10:43 p.m.

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Sheila R. Cobian, CMC  
City Clerk Services Manager



CITY COUNCIL  
**Minutes**

Council Chamber  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008

June 26, 2018, 6 p.m.

**CALL TO ORDER:** 6:00 p.m.

**ROLL CALL:** M. Hall, K. Blackburn, M. Schumacher C. Schumacher, M. Packard.

**ANNOUNCEMENT OF CONCURRENT MEETINGS:** Mayor Hall announced Council is serving as the Carlsbad Municipal Water District Board of Directors on Consent Calendar Item Nos. 16 and 17.

**INVOCATION:** None.

**PLEDGE OF ALLEGIANCE:** Mayor Pro Tem Blackburn led the Pledge of Allegiance.

**APPROVAL OF MINUTES:**

Minutes of the Regular Meeting held April 10, 2018.

Minutes of the Special Meeting held May 8, 2018.

Minutes of the Regular Meeting held May 8, 2018.

Minutes of the Special Meeting held May 21, 2018.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to approve the minutes as presented. Motion carried, 5/0.

**PRESENTATION:**

Presentation in recognition of donation from the Carlsbad Friends of the Arts in support of the 2018 TGIF Concert Series.

Mayor Hall introduced Cultural Arts Manager Richard Schultz to give an overview of the donation. Mr. Schultz introduced President of the Friends of the Arts Brenda Beckett to present the donation.

Proclamation in recognition of Planning Commissioner Kerry Siekmann.

Council Member M. Schumacher presented a Proclamation to former Planning Commissioner Kerry Siekmann in recognition of her service on the Planning Commission.

**PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION:** None.

**PUBLIC COMMENT:**

*Becky Baird expressed concerns relating to the separation of immigrant children from their parents.*

*Fred Reale expressed concerns relating to how cyclists are treated in the City of Carlsbad.*

*Michael Shannon requested that speed cushions be installed on his road and signage on Chiquipin indicating that the road narrows.*

*Debbie Bodine also requested speed cushions be installed on Harbor Drive.*

*Pierre Coshet Weinandt expressed concerns relating to the resolution the Council adopted relating to the California Values Act.*

*Neil Turner expressed concerns relating to a nuisance complaint received by the Camino Hills HOA.*

**CONSENT CALENDAR:**

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to approve Consent Calendar Item Nos. 1 through 10, 12, 13 and 15 through 17. Motion carried, 5/0.

1. REPORT ON CITY INVESTMENTS – Acceptance of report on City Investments as of May 31, 2018. (Staff contact: Nancy Sullivan, Administrative Services)
2. APPROVAL OF CTBID ANNUAL REPORT – Adoption of Resolution No. 2018-102 approving the Carlsbad Tourism Business Improvement District (CTBID) Annual Report, and continuing the CTBID programs and assessments for fiscal year 2018-19. (Contact: Cheryl Gerhardt, Administrative Services)
3. APPROVAL OF CGLBID ANNUAL REPORT – Adoption of Resolution No. 2018-103 approving the Carlsbad Golf Lodging Business Improvement District (CGLBID) Annual Report, and continuing the CGLBID programs and assessments for fiscal year 2018-19. (Contact: Cheryl Gerhardt, Administrative Services)
4. FISCAL YEAR 2018-19 SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 1 – Adoption of Resolution No. 2018-104 establishing the Fiscal Year 2018-19 Special Tax for Community Facilities District No. 1. (Staff contact: Aaron Beanan, Administrative Services)
5. AMENDMENT TO MANAGEMENT COMPENSATION PLAN – Adoption of Resolution No. 2018-105 approving revisions to the Management Compensation and Benefits Plan and the Carlsbad Municipal Code and appropriating \$55,000 in additional funds. (Staff Contact: Julie Clark, Administrative Services)
6. NEW AND REVISED JOB CLASSIFICATIONS AND AMENDMENT TO CCEA SALARY SCHEDULE – Adoption of Resolution No. 2018-106 approving a new job classification, revising a current job classification, and amending the Carlsbad City Employees' Association Salary Schedule. (Staff Contact: Drew Cook, Administrative Services)
7. AUTHORIZE RENEWAL OF EXCESS WORKERS' COMPENSATION INSURANCE - Adoption of Resolution No. 2018-107 authorizing renewal of the City's Excess Insurance for Workers' Compensation. (Staff contact: Donna Hernandez, Administrative Services)

8. APPROVE PURCHASE OF EXCESS LIABILITY COVERAGE – Adoption of Resolution No. 2018-108 authorizing the purchase of \$25 million of Excess Liability Coverage through County Supervisors Association of California D.B.A. California State Association of Counties Excess Insurance Authority (CSAC EIA) for fiscal year 2018-2019 in an amount not to exceed \$418,000.00. (Staff contact: Ed Garbo, Administrative Services)
9. APPROVE PURCHASE OF PROPERTY INSURANCE COVERAGE - Adoption of Resolution No. 2018-109 authorizing the purchase of \$1 billion of Property Insurance Coverage through Alliant Insurance Services Inc.'s Alliant Property Insurance Program (APIP) for fiscal year 2018-2019 in an amount not to exceed \$185,843.78. (Staff contact: Ed Garbo, Administrative Services)
10. NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION – Adoption of Resolution No. 2018-110 calling for the holding of a General Municipal Election to be held on Tuesday, November 6, 2018, for the election of certain officers as required by the provisions of the laws of the State of California relating to charter cities; and  
Adoption of Resolution No. 2018-111 requesting the Board of Supervisors of the County of San Diego consolidate the General Municipal Election to be held in the City of Carlsbad on Tuesday, November 6, 2018, with the Statewide General Election to be held on that date pursuant to Section 10403 of the Elections Code; and  
Adoption of Resolution No. 2018-112 approving regulations for candidates for elective office pertaining to Candidates' Statements submitted to the voters at the General Municipal Election to be held in the City of Carlsbad on Tuesday, November 6, 2018. (Staff contact: Sheila Cobian, City Clerk Department)

*This item was pulled for discussion.*

11. AGREEMENT WITH INTERFAITH COMMUNITY SERVICES FOR HIRING CENTER – Adoption of a Resolution awarding a professional services agreement to Interfaith Community Services to provide professional day-to-day operational management of the City of Carlsbad's Hiring Center in an amount not to exceed \$204,217. (Staff contact: Courtney Pene, Community & Economic Development)
12. APPROVE PURCHASE OF 19 REPLACEMENT MOBILE DATA COMPUTERS – Adoption of Resolution No. 2018-114 authorizing the replacement of 19 new Mobile Data Computers (MDC's) from CDCE, Inc. (Staff contact: Mike Davis, Fire Department)
13. ACCEPTANCE OF DONATION – Adoption of Resolution No. 2018-115 authorizing the acceptance of a \$25,000 donation from the Carlsbad Friends of the Arts. (Staff contact: Richard Schultz, Library & Cultural Arts)

*This item was pulled for discussion.*

14. AUTHORIZE EXPANDING SCOPE OF PARKS AND RECREATION OPPORTUNITY GRANT PROGRAM – Adoption of a Resolution authorizing expanding the scope of the City of Carlsbad Parks and Recreation Opportunity Grant Scholarship Program to include Carlsbad residents of all ages and increase the maximum grant amount to \$300 per person per year. (Staff contact: Bonnie Elliott, Parks & Recreation)

15. AWARD OF CONTRACT FOR AVIARA & POINSETTIA PARK CONSTRUCTION PROJECTS – Adoption of Resolution No. 2018-117 awarding a construction contract to Los Angeles Engineering, Inc., in an amount not to exceed \$6,766,000, appropriating \$939,475 in additional funds, and authorizing execution of an amendment to a Professional Services Agreement with Schmidt Design Group for a two-year term extension, all for the Aviara Community Park – PH. II and Poinsettia Community Park – PH. III Construction Projects (CIP Nos. 4604 and 4605). (Staff contact: Kyle Lancaster, Parks & Recreation)
16. REIMBURSEMENT AGREEMENT WITH RANCHO COSTERA, LLC FOR RECYCLED WATER IMPROVEMENTS Adoption of CMWD Resolution No. 1597 authorizing execution of a Reimbursement Agreement with Rancho Costera, LLC for an amount not to exceed \$514,009 for recycled water improvements within El Camino Real, Carlsbad Tract CT 13-03, Project No. 5208-C. (Staff contact: Lindsey Stephenson, Public Works)
17. APPROVAL OF LICENSE AGREEMENT WITH NORTH COUNTY TRANSIT DISTRICT FOR RECYCLED WATER PHASE III PIPELINE EXPANSION SEGMENT 5 – Adoption of CMWD Resolution No. 1598 authorizing execution of a License Agreement with North County Transit District for the Recycled Water Phase III Pipeline Expansion Segment 5, Project No. 5208-B. (Staff contact: Lindsay Leahy, Public Works)

**CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION:**

*This item was pulled for discussion.*

11. AGREEMENT WITH INTERFAITH COMMUNITY SERVICES FOR HIRING CENTER – Adoption of Resolution No. 2018-113 awarding a professional services agreement to Interfaith Community Services to provide professional day-to-day operational management of the City of Carlsbad's Hiring Center in an amount not to exceed \$204,217. (Staff contact: Courtney Pene, Community & Economic Development)

*Greg Aglea expressed his appreciation to Council for their consideration of funding the Hiring Center.*

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt Resolution No. 2018-113. Motion carried, 5/0.

*This item was pulled for discussion.*

14. AUTHORIZE EXPANDING SCOPE OF PARKS AND RECREATION OPPORTUNITY GRANT PROGRAM – Adoption of Resolution No. 2018-116 authorizing expanding the scope of the City of Carlsbad Parks and Recreation Opportunity Grant Scholarship Program to include Carlsbad residents of all ages and increase the maximum grant amount to \$300 per person per year. (Staff contact: Bonnie Elliott, Parks & Recreation)

*Council Member C. Schumacher thanked staff for making the grant program available to all ages rather than just for youth in the community.*

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt Resolution No. 2018-116. Motion carried, 5/0.

**ORDINANCES FOR INTRODUCTION:** None.

**ORDINANCES FOR ADOPTION:**

18. ADOPTION OF ORDINANCE NO. CS-332 TEMPORARY RESTRICTIONS ON PUBLIC PROPERTY – Adoption of Ordinance No. CS-332 adding Chapter 11.46 (Temporary Restrictions on Public Property) to Title 11 of the Carlsbad Municipal Code to authorize temporary restrictions during certain events where it is reasonably anticipated that conflict or non-peaceful behavior may occur. (Staff contact: Sheila Cobian, City Clerk Department)

**City Manager's Recommendation:** Adopt the Ordinance.

*Glenn Bernard expressed concerns relating to meeting decorum.*

City Attorney Celia Brewer titled the Ordinance.

Council Member C. Schumacher expressed concerns relating to the anti-mask portion of the ordinance due to 14th Amendment rights.

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt Ordinance No. CS-332. Motion carried, 4/1 (C. Schumacher – No).

**PUBLIC HEARING:** None.

**DEPARTMENTAL AND CITY MANAGER REPORTS:**

19. ADOPTION OF ARTS & CULTURE PLAN – Adoption of Resolution No. 2018-118 approving the Arts & Culture Master Plan. (Staff contact: Richard Schultz, Library & Cultural Arts)

**City Manager's Recommendation:** Adopt the Resolution.

Cultural Arts Manager Richard Schultz presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

*John Lucas, Trustee and Secretary with Carlsbad Library and Arts Foundation, spoke in support of the Plan.*

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt Resolution No. 2018-118. Motion carried, 5/0.

20. LIBRARY BOARD OF TRUSTEES APPOINTMENT – Adoption of Resolution No. 2018-119 appointing Art Larson to the Library Board of Trustees. (Staff contact: Tammy McMinn, City Clerk Department)

**City Manager's Recommendation:** Adopt the Resolution.

**ACTION:** Motion by Mayor Hall, seconded by Mayor Pro Tem Blackburn, to adopt 2018-119. Motion carried, 5/0.

**PUBLIC COMMENT:** Continuation of Public Comments

*Alex Schester encouraged the Council to take a stronger position in opposition to offshore drilling to protect the coast.*

*Bernie Bradshaw also encouraged Council to oppose offshore drilling with a Resolution.*

*Council Member C. Schumacher made a motion to place the topic of offshore drilling on a future agenda.*

*Glenn Bernard spoke in support of a new City Hall.*

**ACTION:** On a Minute Motion by Council Member C. Schumacher, seconded by Mayor Pro Tem Blackburn, Council directed staff to return with an agenda item at a future meeting to revisit the City's Legislative Platform as it relates to offshore drilling. Motion carried, 5/0.

*TJ Childs requested that Village Barrio Plan be considered at the July 24 City Council Meeting rather than on July 10 to give residents more time to review the report.*

*Louise Verrall expressed concerns relating to parking on streets adjacent to La Costa Canyon High School.*

*John Biethan, also requested that the Council adopt a resolution to ban local, state and federal off-shore drilling.*

*Malayna Marino spoke in support of a resolution to ban local, state and federal off shore drilling.*

*Simon Angel requested that Council give thoughtful consideration to the Village Barrio Plan.*

*Jose Carona expressed concerns relating to effective communication.*

**COUNCIL REPORTS AND COMMENTS:**

Mayor Hall and Council Members reported on activities and meetings of some committees and sub-committees of which they are members.

Council Member M. Packard suggested that consideration of the location for the future City Hall be placed on the November ballot.

**ACTION:** On a Minute Motion by Council Member M. Packard, seconded by Mayor Pro Tem Blackburn, Council directed staff to return with an agenda item at a future meeting to discuss whether or not to place the location of City Hall on the November ballot. Motion carried, 5/0.

**CITY MANAGER COMMENTS:** None.

**CITY ATTORNEY COMMENTS:** None.

**CITY CLERK COMMENTS:** None.

**ANNOUNCEMENTS:**

**Thursday, June 28, 2018 – 11:30 a.m. - 1:30 p.m.**

City of Carlsbad Employee Summer BBQ  
Aviara Community Park  
6435 Ambrosia Lane  
Carlsbad, CA

**Wednesday, July 4, 2018 – 11 a.m.**

Rancho Carlsbad Retirement Community's July 4<sup>th</sup> Parade  
5200 El Camino Real  
Carlsbad, CA

**Monday, July 9, 2018 – 3 - 5:00 p.m.**

Retirement Event for Fire Chief Mike Davis  
Carlsbad Safety Training Center  
5750 Orion St.  
Carlsbad, CA

**Tuesday, July 10, 2018 – 4 p.m.**

Carlsbad Citizens of the Year Ceremony  
City Council Chamber  
1200 Carlsbad Village Dr.  
Carlsbad, CA

**ADJOURNMENT:**

Meeting was adjourned at 8:06 p.m.

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Sheila R. Cobian, CMC  
City Clerk Services Manager



# Minutes

July 10, 2018 5:15 p.m.

Council Chamber  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008

**CALL TO ORDER:** 5:17 p.m.

**ROLL CALL:** M. Hall, K. Blackburn, M. Schumacher, C. Schumacher, M. Packard.

**PUBLIC COMMENT:** None.

**CLOSED SESSION:**

City Attorney Celia Brewer read the Council into Closed Session.

Council adjourned into Closed Session at 5:17 p.m. pursuant to the following:

1. **CONFERENCE WITH LEGAL COUNSEL REGARDING INITIATING LITIGATION** – To authorize a closed session to consider initiation of litigation of one case pursuant to Government Code Section 54956.9(d)(4).

**Council Action:**      **The City Council unanimously authorized the filing of litigation in a single case. Details will be released upon request after the filing of the complaint.**

**ADJOURNMENT:**

By proper motion, the Special Meeting of July 10, 2018 was adjourned at 5:40 p.m.

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Faviola Medina, CMC  
Senior Deputy City Clerk



# CITY COUNCIL Minutes

Council Chamber  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008

July 17, 2018, 9 a.m.

**CALL TO ORDER:** 9 a.m.

**ROLL CALL:** M. Hall, K. Blackburn, M. Schumacher C. Schumacher, M. Packard.

**ANNOUNCEMENT OF CONCURRENT MEETINGS:** Mayor Hall announced Council is serving as the Carlsbad Municipal Water District Board of Directors on Consent Calendar Item No. 4.

**INVOCATION:** None.

**PLEDGE OF ALLEGIANCE:** Mayor Pro Tem Blackburn led the Pledge of Allegiance.

**APPROVAL OF MINUTES:**

Minutes of the Regular Meeting held May 22, 2018.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to approve the minutes as presented. Motion carried, 5/0.

**PRESENTATION:** None.

**PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION:** None.

**PUBLIC COMMENT:**

*Pierre Coshet Weinandt expressed concerns relating to federal political views and security.*

**CONSENT CALENDAR:**

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to approve Consent Calendar Item Nos. 1 through 4. Motion carried, 5/0.

1. **WORKERS' COMPENSATION CLAIM OF RICHARD GALANOS** – Adoption of Resolution No. 2018-132 authorizing settlement of the Workers' Compensation claim of Richard Galanos. (Staff contact: Donna Hernandez, Administrative Services)
2. **AMENDMENT NO. 3 TO AGREEMENT WITH AECOM TECHNICAL SERVICES, INC.** – Adoption of Resolution No. 2018-133 authorizing execution of Amendment No. 3 with AECOM Technical Services, Inc. to extend the professional services master agreement for the Terramar Area Coastal Improvement Project, Project No. 6054. (Staff Contact: Jonathan Schauble, Public Works)

3. AGREEMENT WITH PURE TECHNOLOGIES, INC. – Adoption of Resolution No. 2018-134 authorizing execution of a professional services agreement with Pure Technologies, Inc. for an amount not to exceed \$217,985 for the Force Main Condition Assessment Project, Project No. 5513-C. (Staff Contact: David Hull, Public Works)
4. APPROVAL OF ADDENDUM TO MITIGATED NEGATIVE DECLARATION AND SUPPLEMENTAL ENVIRONMENTAL PACKAGE AND ADVERTISE FOR BIDS FOR THE RECYCLED WATER PHASE III PIPELINE EXPANSION SEGMENT 5 – Adoption of CMWD Resolution No. 1601 approving an addendum to the Mitigated Negative Declaration and Supplemental Environmental Package, and approving plans and specifications and authorizing the Secretary to advertise and receive bids for the Recycled Water Phase III Pipeline Expansion Segment 5, Project No. 5208-B. (Staff contact: Lindsay Leahy, Public Works)

**ORDINANCES FOR INTRODUCTION:**

5. AMENDMENT TO CARLSBAD MUNICIPAL CODE SECTION 2.44.020 PERSONNEL OFFICER – Introduction of Ordinance No. CS-336 amending Section 2.44.020 of the Carlsbad Municipal Code to grant the City Manager authority to make revisions to the job descriptions for positions not in the classified service. (Staff contact: Drew Cook, Administrative Services)

**City Manager's Recommendation:** Introduce the Ordinance.

City Attorney Celia Brewer titled the Ordinance.

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to introduce Ordinance No. CS-336. Motion carried, 5/0.

**ORDINANCES FOR ADOPTION:** None.

**PUBLIC HEARING:** None.

**DEPARTMENTAL AND CITY MANAGER REPORTS:**

6. AMENDMENT TO CARLSBAD MUNICIPAL CODE CHAPTER 2 RELATING TO BOARDS AND COMMISSIONS - Introduction of Ordinance No. CS-337 repealing Sections 2.08.080, 2.08.090, 2.08.092, 2.08.094 and 2.08.110 of the Carlsbad Municipal Code and adding Chapter 2.15 Boards and Commissions; and, Adoption of a Resolution rescinding City Council Policy Nos. 19, 47 and 81. (Staff contact: Celia Brewer, City Attorney)

**City Manager's Recommendation:** Introduce the Ordinance and adopt the Resolution.

City Council Sub-Committee Members M. Packard and M. Schumacher presented the report and recommendations.

On a Minute Motion by Council Member C. Schumacher, second by Mayor Pro Tem Blackburn, Council concurred to add the following language to Section 2.15.060 (B) Term: ....“due to an unplanned vacancy” shall serve to the end of the former incumbent’s term. Motion carried 4/1 (Packard – No).

Council Member C. Schumacher confirmed that with staff that unplanned vacancies would be advertised on the City’s website.

Mayor Hall expressed concerns relating to the connection of appointments to Boards, Committees and Commissions with Council Districts.

Council Members M. Schumacher and Packard explained that the connection between districts and appointments would allow for representation from all areas of the City on the Boards, Committees and Commissions.

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to introduce Ordinance No. CS-337. Motion carried, 4/1 (Hall-No).

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt Resolution No. 2018-135. Motion carried, 4/1 (Hall-No).

7. TERRAMAR AREA COASTAL IMPROVEMENT PROJECT UPDATE – Receive an update on the Terramar Area Coastal Improvement Project, CIP 6054. (Staff contact: Jonathan Schauble, Public Works)

**City Manager’s Recommendation:** Receive the update.

Assistant City Manager Gary Barberio, Transportation Director Marshall Plantz and Associate Engineer Jonathan Schauble presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk)

*Carol Scurlock expressed concerns relating to the ability to exit her driveway if a round-about is constructed. She also spoke in opposition to the elimination of the center lane.*

*Gerald Lance Johannsen spoke in support of the removal of powerlines and provided a comment letter regarding the future of Carlsbad Boulevard (on file in the Office of the City Clerk).*

*Anthony Boudreault stated that he felt like there are deficiencies with the plan and the round-about option.*

*Susan Hollander suggested that environmental impact studies be completed prior to selecting a plan.*

**ACTION:** Council received the update.

**CITY MANAGER COMMENTS:** None.

**CITY ATTORNEY COMMENTS:** None.

**CITY CLERK COMMENTS:** None.

**ANNOUNCEMENTS:**

Mayor Hall announced that the City Council Members may be participating in the upcoming events:

**Monday, July 23, 2018 – 3:00 - 5:30 p.m.**

City Manager Kevin Crawford's Retirement Celebration  
Leo Carrillo Ranch Historic Park  
6200 Flying LC Lane  
Carlsbad, CA

**Tuesday, July 24, 2018 – 5:00 p.m.**

Retirement Reception for Fire Chief Michael Davis  
Carlsbad City Hall  
1200 Carlsbad Village Dr.  
Carlsbad, CA

**ADJOURNMENT:**

Meeting was adjourned at 10:46 a.m.

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Sheila R. Cobian, CMC  
City Clerk Services Manager



# CITY COUNCIL Minutes

July 31, 2018 9 a.m.

Council Chamber  
1200 Carlsbad Village Dr.  
Carlsbad, CA 92008

**CALL TO ORDER:** 9 a.m.

**ROLL CALL:** M. Hall, K. Blackburn, M. Schumacher, C. Schumacher, M. Packard.

**ANNOUNCEMENT OF CONCURRENT MEETINGS:** None.

**PLEDGE OF ALLEGIANCE:** Mayor Pro Tem Blackburn led the Pledge of Allegiance.

**INVOCATION:** None.

**APPROVAL OF MINUTES:** None.

**PRESENTATIONS:**

Oath of Office to new City Manager Scott Chadwick.

City Clerk Services Manager Sheila Cobian gave the Oath of Office to new City Manager Scott Chadwick.

**PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION:** None.

**PUBLIC COMMENT:**

*Mary Lucid spoke about the return on the city's investment and what the citizens receive for it.*

*Gary Nessim spoke about the new Council policy regarding public comment and the new Village & Barrio Master Plan.*

**CONSENT CALENDAR:**

**ACTION:** Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to approve Consent Calendar Item Nos. 1 and 2. Motion carried unanimously, 5/0.

*This item was continued from the Regular Meeting of July 24, 2018.*

1. **ADVERTISE FOR BIDS FOR STATION 5 STORAGE BUILDING ROOF** - Adoption of Resolution No. 2018-150 approving the plans and specifications and authorizing advertisement to solicit bids for the Fire Station 5 Storage Building Roof, Project No. 4736. (Staff contact: Steven Stewart, Public Works)

*This item was continued from the Regular Meeting of July 24, 2018.*

2. APPROVAL OF BRIDGING DOCUMENTS AND ADVERTISE FOR DESIGN-BUILD PROPOSAL SOLICITATION FOR PUBLIC SAFETY AND SERVICE CENTER IMPROVEMENTS – Adoption of Resolution No. 2018-151 approving the bridging documents for the City of Carlsbad Public Safety and Service Center Improvements, Project No. 4715, and authorizing the City Clerk to advertise for Design Build Proposal solicitation. (Staff contact: Steven Stewart, Public Works and Mickey Williams, Police)

#### DEPARTMENTAL AND CITY MANAGER REPORTS:

3. CITY COMMENTS ON RECIRCULATED PORTIONS OF THE MCCLELLAN-PALOMAR AIRPORT MASTER PLAN UPDATE DRAFT PROGRAM ENVIRONMENTAL IMPACT REPORT – Approve a City comment letter for submittal to the County of San Diego on recirculated portions of the McClellan-Palomar Airport Master Plan Update Draft Program Environmental Impact Report and authorize the City Attorney to make any necessary final revisions. (Staff contact: Jason Haber, City Manager Department)

**City Manager's Recommendation:** Approve the letter and authorize City Attorney to make any necessary final revisions.

Assistant to the City Manager Jason Haber and Sarah Rockwell from Kaplan Kirsch Rockwell reviewed the staff report and provided a brief PowerPoint presentation (on file in the Office of the City Clerk).

*Vicky Syage spoke about the rationale for the changes to the airport and requested transparency.*

*Ray Bender spoke about the document he submitted (on file in the Office of the City Clerk) and the lack of a continuing commitment from the city to correct the problem.*

*Graham Thorley spoke regarding the air quality in Carlsbad and the letter he sent to Council (on file in the Office of the City Clerk).*

*Hope Nelson from Citizens 4 a Friendly Airport spoke about how the PEIR has been inconsistent.*

Mayor Hall asked staff to respond to Mr. Bender's comment regarding independent law. Ms. Rockwell responded that staff has responded to CEQA law regarding greenhouse gas emissions.

Council Member C. Schumacher asked Ms. Rockwell to respond to Mr. Bender's statement of overriding consideration. Ms. Rockwell responded that this may not be the time to cover that issue.

Mayor Hall asked if there will be further discretionary actions that will need to take place. Ms. Rockwell stated that the County would be required to come back with each project and have another CEQA review completed.

Mayor Pro Tem Blackburn asked if changes discussed at today's meeting will come back to them for approval before the deadline of August 6. Mr. Haber responded that staff is requesting the City Attorney be given authorization to approve modifications.

**ACTION:** Minute Motion by Council Member C. Schumacher, seconded by Mayor Pro Tem K. Blackburn to strengthen comment I.a.ii by specifically requesting that the County update the draft PEIR Chapter 4 – Alternatives to incorporate new significant impacts to biological resources, and to re-circulate for public review. Motion carried, 4/1 (M. Packard – No).

**ACTION:** Minute Motion by Council Member C. Schumacher, seconded by Mayor Pro Tem K. Blackburn to make comment II.a more direct by striking phrases “appears to” and “it appears that” from the comment and to read “the revised section *still uses*.” Motion carried, 3/2 (M. Schumacher/M. Packard – No).

**ACTION:** Motion by Mayor Pro Tem K. Blackburn, seconded by Council Member M. Schumacher to authorize staff to send the comment letter, incorporating two staff suggested changes and two Council directed changes. City Attorney is authorized to make the final revisions to the draft comment letter based on Council's action. Motion carried, 4/1 (M. Packard – No).

**COUNCIL REPORTS AND COMMENTS:**

Mayor and Council Members reported on activities and meetings of some committees and sub-committees of which they are members.

**CITY MANAGER COMMENTS:** City Manager Scott Chadwick thanked staff and the consultant for their excellent work on the PEIR.

**CITY ATTORNEY COMMENTS:** None.

**CITY CLERK COMMENTS:** None.

**ANNOUNCEMENTS:** None.

**ADJOURNMENT:**

Meeting was adjourned at 10:27 a.m.

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Tamara R. McMinn  
Deputy City Clerk



CITY COUNCIL

# Staff Report

**Meeting Date** August 21, 2018  
**To:** Mayor and Council Members  
**From:** Scott Chadwick, City Manager  
**Staff Contact:** Craig Lindholm, City Treasurer; Nancy Sullivan, Deputy City Treasurer  
 Nancy.Sullivan@carlsbadca.gov or 760-602-2473  
  
**Subject** Report on City Investments as of June 30, 2018

## Recommended Action

Accept and file report.

## Executive Summary

The city's Investment Policy requires the City Treasurer to report to the City Council on a monthly basis the status of the city's pooled investment portfolio. A quarterly report is also required for the investments of bond proceeds held separately.

## Discussion

The city's pooled investment portfolio as of the month ended June 30, 2018 is summarized below.

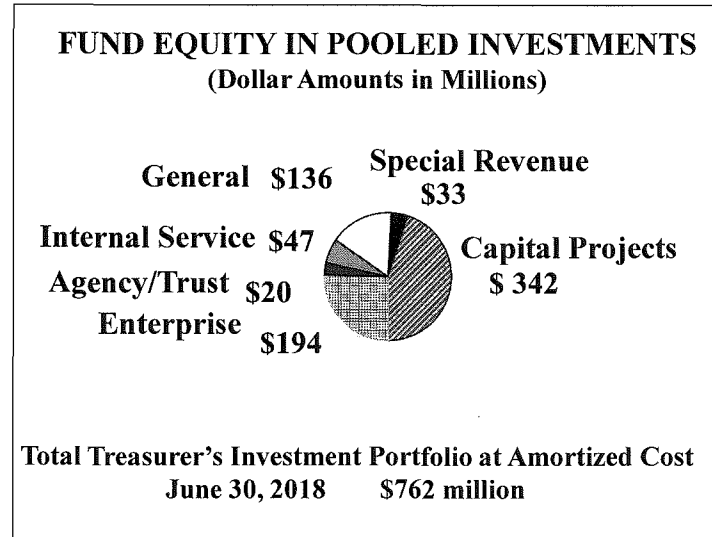
Pooled Investment Portfolio (Cash and Securities)		
	Current Month	Prior Month
Par Value	\$761,973,309	\$772,141,755
Cost of Investments	\$762,762,833	\$773,081,577
Amortized Cost (1)	\$761,499,745	\$771,842,719
Market Value (2)	\$750,805,057	\$762,081,508

(1) The cost of investments adjusted for amortized premiums and discounts.

(2) The amount at which the investments could be sold. Source of market values is Wells Fargo Bank's custodial report as of 06/30/18.

The equity portion of the various funds in the total portfolio is summarized in the graph on the next page. Fund balances are restricted for various purposes. See Exhibit 8 for a more detailed breakdown.

The \$10 million dollar decrease between the May and June 2018 report was due mainly to the \$11 million dollar payment to CalPERS to pay a portion of the unfunded liability as presented in the FY2018-19 operational budget.



Pooled Investment Interest Income			
	Current	Prior	Current Month
Cash Income Fiscal Year-to-Date *	\$11,248,807	\$10,476,042	\$772,765

\*The cash income received is adjusted for any accrued interest purchased.

Pooled Investment Performance/M Measurement			
	Average Life (Years)	Average Yield To Maturity	Modified Duration
April 2018	1.99	1.712%	1.892
May 2018	2.01	1.774%	1.916
June 2018	2.01	1.799%	1.911

All pooled investments have been made in accordance with the city's Investment Policy adopted January 2, 1985 and last revised July 25, 2017. All investments were initially made in accordance with the city's Investment Policy. Events subsequent to the purchase might have resulted in some investments not being in compliance with the current policy. These events are typically a change in the city's Investment Policy, a change in the credit rating subsequent to a purchase, or a temporary reduction in total portfolio assets.

Exhibit 9 shows that the investments out of compliance with the current policy had a subsequent change in credit rating. Ratings on two investments changed from double A (AA) to a single A (A) rating. The city's Investment Policy allows the City Treasurer to determine the course of action that would correct exceptions to the policy. These investments are paying interest at the required times and their principal is considered secure. It is the intent of the City Treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.

The pooled investment portfolio has the ability to meet the city's cash flow demands for the next six (6) months.

Investment Portfolio for Bond Proceeds		
	Current Quarter	Prior Quarter
Par Value	7,004,197	6,986,338
Cost	7,004,197	6,986,338

#### Fiscal Analysis

None

#### Next Steps

The Report on City Investments is produced monthly by the City Treasurer.

#### Environmental Evaluation (CEQA)

Pursuant to Public Resources Code section 21065, this action does not constitute a "project" within the meaning of CEQA in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review.

#### Public Notification

This item was noticed in accordance with the Ralph M. Brown Act and was available for viewing at least 72 hours prior to the posting of the agenda.

#### Exhibits

1. Investment Portfolio Breakdown By Amortized Cost, Market Value, Cash Income, and Average Yield
2. Investment Portfolio Breakdown Of Maturities
3. Yield Comparison Graph
4. Market Yield Curve
5. Cumulative Cash Income Graph
6. Fourth Quarter Transactions
7. Detailed Investment Report

- 8. Fund Equity in Pooled Investments
- 9. Corporate Note and Commercial Paper Ratings
- 10. Percentage Weightings By Corporate Note Issuer

**Exhibit for Investments of Bond Proceeds Held Separately:**

- 11. Detailed Investment Report – Quarterly Report

**Exhibit for Summary of outstanding Housing Loans:**

- 12. Detail Of Outstanding Housing Loans – Quarterly Report

**CITY OF CARLSBAD INVESTMENT PORTFOLIO  
AS OF JUNE 30, 2018**

**BREAKDOWN BY AMORTIZED COST, MARKET VALUE, CASH INCOME, AND AVERAGE YIELD BY CLASS**

<u>Class</u>	<u>AMORTIZED COST</u>		<u>MARKET VALUE</u>		<u>Cash Income Year to Date</u>	<u>AVERAGE YIELD</u>	
	<u>Current Month</u>	<u>Prior Month</u>	<u>Current Month</u>	<u>Prior Month</u>		<u>Current Month</u>	<u>Prior Month</u>
CD	\$15,302,485	\$15,304,425	\$15,040,784	\$15,051,028	\$272,448	2.03	1.97
FN	18,783,266	18,758,926	18,562,945	18,548,502	0	1.60	1.60
TR	106,270,008	106,268,428	104,292,448	104,394,699	1,614,127	1.62	1.62
FA	357,373,293	357,221,511	351,918,719	352,161,806	5,052,839	1.78	1.75
SN	11,939,347	11,937,492	11,698,326	11,716,958	35,596	2.15	2.15
CN	158,577,036	158,681,181	156,037,526	156,537,760	3,081,038	1.98	1.96
LAIF	85,767,000	97,767,000	85,767,000	97,767,000	1,174,419	1.75	1.71
CUSTODY	2,250,114	590,168	2,250,114	590,168	2,389	0.75	0.01
SWEEP	171,842	4,822,898	171,842	4,822,898	15,953	1.59	1.59
BANK ACCT	5,065,353	490,690	5,065,353	490,690	0	1.59	1.59
<b>TOTALS</b>	<b>\$761,499,745</b>	<b>\$771,842,719</b>	<b>\$750,805,057</b>	<b>\$762,081,509</b>	<b>\$11,248,807</b>	<b>1.80%</b>	<b>1.77%</b>

CD - Certificate of Deposit	FA - Federal Agency	Custody - Investment Cash account
FN - Federal Discount Notes	CN - Corporate Notes	SWEEP - General Fund Overnight Cash account
TR - US Treasury	LAIF - Local Agency Investment Fund	Bank Account - General Fund Cash account
SN - Supranational		

**CITY OF CARLSBAD INVESTMENT PORTFOLIO**  
**AS OF JUNE 30, 2018**

***BREAKDOWN OF MATURITIES BY CLASSIFICATION AND LENGTH OF TIME***

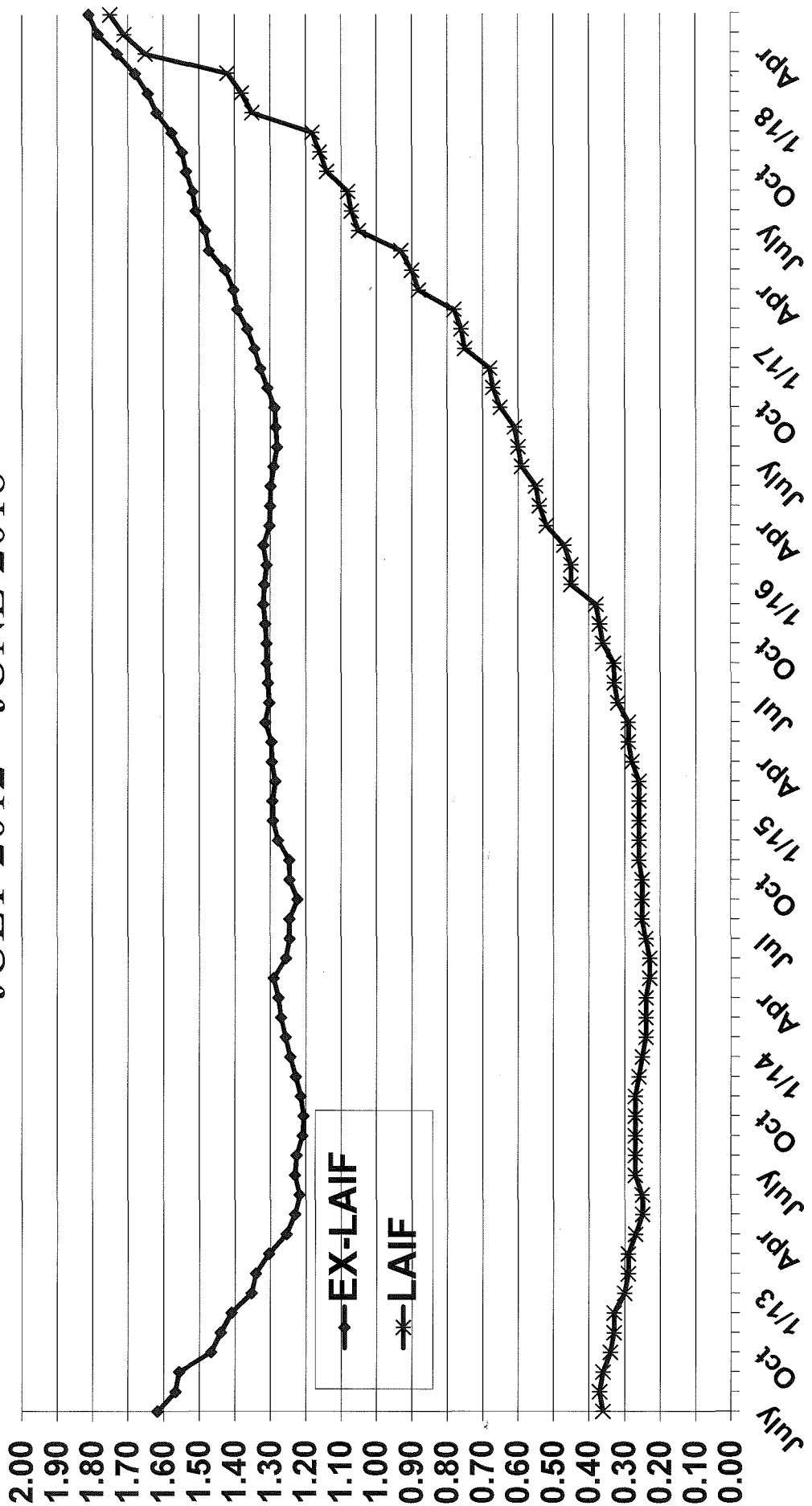
<u>CLASS</u>	<u>WITHIN 6 MONTHS</u>	<u>7 MONTHS TO 1 YEAR</u>	<u>1 TO 5 YEARS</u>	<u>TOTAL</u>	<u>% TOTAL</u>
CD	\$248,000	\$247,000	\$14,805,317	\$15,300,317	2.0%
FN	0	5,345,898	12,603,579	17,949,477	2.4%
TR	16,410,235	11,216,529	78,734,715	106,361,480	13.9%
FA	32,663,651	39,222,537	286,493,387	358,379,575	47.0%
SN	0	0	11,924,035	11,924,035	1.6%
CN	22,479,542	12,256,251	124,857,848	159,593,641	20.9% (2)
LAIF	85,767,000	0	0	85,767,000	11.2%
CUSTODY	2,250,114	0	0	2,250,114	0.3%
SWEEP	5,065,353	0	0	5,065,353	0.7%
BANK ACCT	171,842	0	0	171,842	0.0%
<b>TOTALS</b>	<b>\$165,055,737 (1)</b>	<b>\$68,288,214 (1)</b>	<b>\$529,418,881</b>	<b>\$762,762,833</b>	<b>100.0%</b>
% TOTALS	21.6%	9.0%	69.4%	100.0%	
Total within One Year	\$233,343,951 (1) 30.6%				

**POLICY:** (1) Not less than \$171,800,000 to mature within one year. (2/3rds of current year operating budget of \$257,648,000.00)  
(2) Policy states that not more than 30% of portfolio is to be invested in corporate notes.

# YIELD COMPARISON

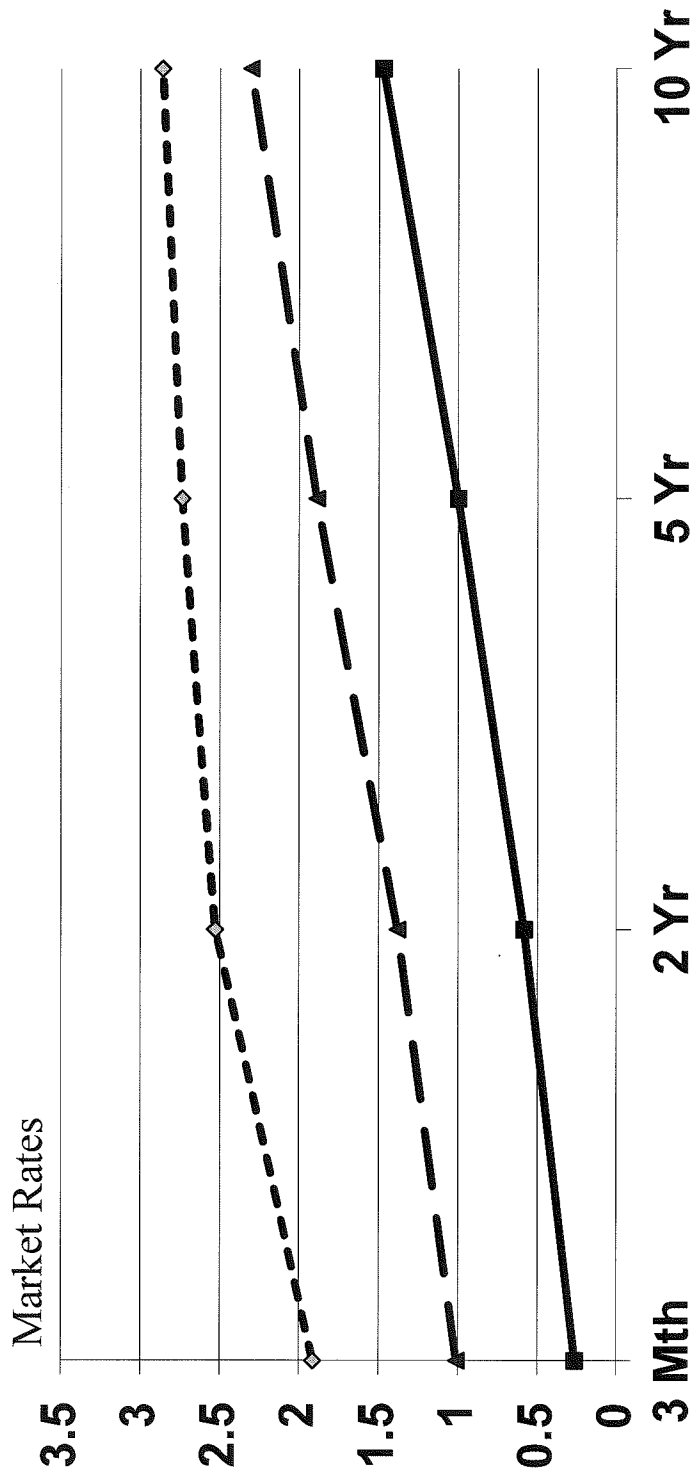
PORTFOLIO EX-LAIF VS. LAIF

JULY 2012 – JUNE 2018



# MARKET YIELD CURVE

## 6/30/16, 6/30/17, 06/30/18

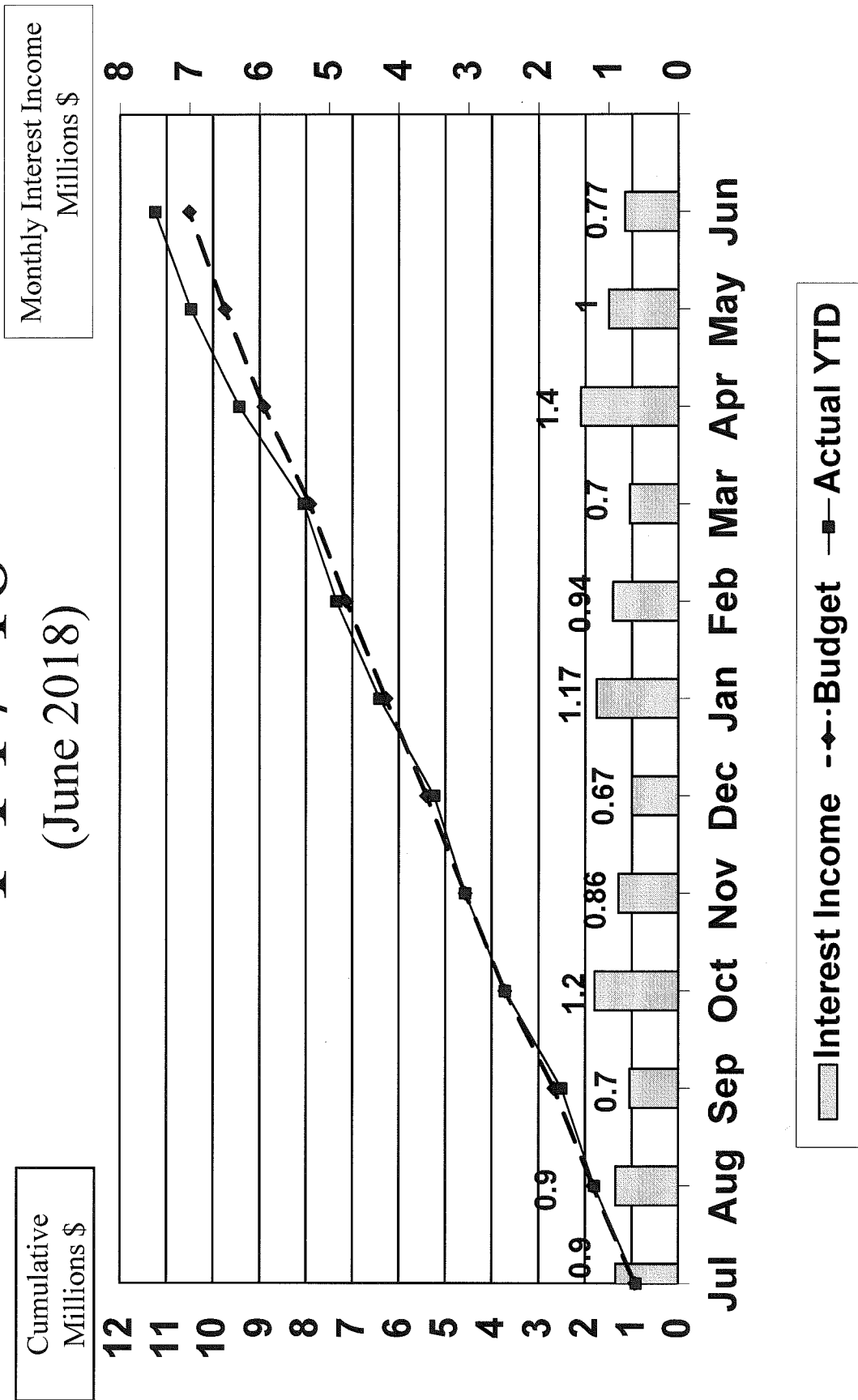


	3 Mth	2 Yr	5 Yr	10 Yr
6/30/2016	.26	.58	1.00	1.47
6/30/2017	1.01	1.38	1.88	2.30
6/30/2018	1.91	2.53	2.74	2.86

# Cumulative Cash Income

FY17-18

(June 2018)



## TRANSACTIONS FOR PERIOD:

04/01/18 TO 06/30/18 4TH QUARTER 2017-2018

Trans Date	Investment Date	Type	Security	Call Date	Par Value	Coupon	Amount (Cost)	Return Rate	Interest	Investment Return
<b>APRIL</b>										
04/06/18	04/10/18	FA	FHLMC	8/16/2018	2,500,000.00	2.625%	2,474,500.00	2.851%	343,781.25	2,818,281.25
04/12/18	04/13/18	FA	FFCB	4/19/2018	2,000,000.00	1.290%	1,948,000.00	2.485%	110,050.00	2,058,050.00
04/12/18	04/13/18	FA	FFCB	6/15/2018	1,750,000.00	2.470%	1,748,757.50	2.500%	105,943.06	1,854,700.56
04/16/18	04/17/18	FA	FFCB	4/23/2018	2,000,000.00	1.670%	1,912,000.00	2.750%	233,290.00	2,145,290.00
04/16/18	04/18/18	CN	BERKSHIRE HATHAWAY	N/A	1,750,000.00	2.750%	1,719,130.00	3.140%	267,083.54	1,986,213.54
04/16/18	04/24/18	CD	CITIBANK	N/A	246,000.00	3.000%	246,000.00	3.000%	36,900.00	282,900.00
04/23/18	04/24/18	FA	FHLB	7/27/2018	1,400,000.00	1.000%	1,358,518.00	2.743%	141,348.67	1,499,866.67
04/23/18	04/24/18	FA	FHLB	N/A	2,250,000.00	2.500%	2,215,102.50	2.860%	295,053.75	2,510,156.25
04/23/18	04/25/18	CN	BERKSHIRE HATHAWAY	N/A	2,000,000.00	2.750%	1,953,300.00	3.270%	315,588.89	2,268,888.89
04/20/18	04/26/18	FA	FHLB	4/26/2019	2,000,000.00	2.680%	2,000,000.00	2.680%	160,800.00	2,160,800.00
04/20/18	04/23/18	FA	FNMA	7/27/2018	1,750,000.00	1.900%	1,721,125.00	2.583%	112,369.44	1,833,494.44
04/23/18	04/27/18	FA	FHLMC	7/27/2018	2,000,000.00	3.050%	2,000,000.00	3.050%	305,000.00	2,305,000.00
04/26/18	04/27/18	FA	FHLMC	7/18/2018	1,000,000.00	1.750%	981,100.00	2.901%	121,837.50	1,102,937.50
<b>MAY</b>										
04/30/18	05/01/18	FA	FFCB	5/7/2018	2,000,000.00	1.840%	1,946,000.00	2.684%	177,893.33	2,123,893.33
04/30/18	05/02/18	CN	COLGATE-PALMOLIVE	N/A	4,666,000.00	2.100%	4,443,179.84	3.140%	712,477.98	5,155,657.82
05/03/18	05/04/18	FA	FHLMC	7/27/2018	2,415,000.00	3.050%	2,412,585.00	3.072%	369,270.27	2,781,855.27
05/03/18	05/04/18	FA	FFCB	4/25/2019	2,500,000.00	3.000%	2,496,250.00	3.033%	376,875.00	2,873,125.00
05/03/18	05/04/18	FA	FJLMC	5/11/2018	2,000,000.00	1.500%	1,989,000.00	2.579%	104,083.33	2,093,083.33
05/03/18	05/04/18	FA	TENN VALLEY AUTHORITY	N/A	1,700,000.00	2.250%	1,692,265.00	2.500%	79,028.75	1,771,293.75
05/03/18	05/07/18	CN	WALMART	1/11/2023	1,000,000.00	2.550%	974,100.00	3.121%	151,558.33	1,125,658.33
05/03/18	05/09/18	CD	CONNECTONE BANK	N/A	249,000.00	2.850%	249,000.00	2.850%	21,309.21	270,309.21
05/07/18	05/09/18	CN	APPLE INC	N/A	4,000,000.00	2.400%	3,862,600.00	3.150%	615,800.00	4,478,400.00
05/07/18	05/16/18	CD	BELMONT SAVINGS BANK	N/A	245,000.00	3.050%	245,000.00	3.050%	37,362.50	282,362.50
05/22/18	05/23/18	FA	FHLMC	11/23/2018	3,000,000.00	3.000%	3,000,000.00	3.000%	337,500.00	3,337,500.00
<b>JUNE</b>										
06/04/18	06/05/18	FA	FFCB	6/11/2018	1,000,000.00	1.830%	965,500.00	2.740%	108,208.33	1,073,708.33
06/08/18	06/11/18	FA	TENN VALLEY AUTHORITY	N/A	1,250,000.00	2.250%	1,244,622.50	2.500%	54,908.75	1,299,531.25
06/08/18	06/11/18	FA	FHLB	2/14/2019	1,500,000.00	2.150%	1,491,780.00	2.485%	62,238.75	1,554,018.75
06/11/18	06/12/18	FA	TENN VALLEY AUTHORITY	N/A	1,250,000.00	2.250%	1,244,200.00	2.520%	55,253.13	1,299,453.13
06/11/18	06/12/18	FA	FHLB	N/A	1,000,000.00	1.750%	976,760.00	2.630%	71,365.00	1,048,125.00
06/11/18	06/13/18	CN	CHEVRON CORP	N/A	3,250,000.00	2.100%	3,175,770.00	2.920%	273,861.25	3,449,631.25
06/04/18	06/20/18	CD	RCB BANK	N/A	249,000.00	3.150%	249,000.00	3.150%	39,217.50	288,217.50
06/08/18	06/21/18	CD	MERCHANTILE BANK	N/A	246,000.00	3.000%	246,000.00	3.000%	22,140.00	268,140.00
06/04/18	06/26/18	FA	FHLMC	6/26/2020	1,250,000.00	3.050%	1,250,000.00	3.050%	190,625.00	1,440,625.00
<b>TOTAL FOURTH QUARTER 2017-2018</b>					<b>57,416,000.00</b>		<b>56,431,145.34</b>	<b>2.868%</b>	<b>6,410,022.51</b>	<b>62,841,167.85</b>

Item #1

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Maturities

APRIL

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EXHIBIT 6

10/26/16	FA	FFCB	N/A	1,600,000.00	0.750%	1,598,592.00	19,141.33	1,617,733.33
03/26/13	CN	COCA COLA	N/A	1,000,000.00	1.150%	1,000,000.00	57,627.78	1,057,627.78
10/29/15	CN	WAL-MART	N/A	4,000,000.00	1.125%	4,024,400.00	85,850.00	4,110,250.00
04/05/13	CD	BOSTON PRIVATE BANK	N/A	248,000.00	0.950%	247,008.00	12,765.55	259,773.55
04/18/13	CD	FIRST STATE BANK NE	N/A	248,502.00	0.991%	248,502.00	12,325.50	260,827.50
04/30/13	CD	FOREST COMMERCIAL BANK	N/A	249,000.00	0.900%	248,253.00	11,952.00	260,205.00
10/26/16	TR	US TREASURY	N/A	2,400,000.00	0.750%	2,400,000.00	27,244.57	2,427,244.57
06/07/17	TR	US TREASURY	N/A	2,000,000.00	0.625%	1,990,312.50	20,896.74	2,011,209.24

## TRANSACTIONS FOR PERIOD:

04/01/18 TO 06/30/18 4TH QUARTER 2017-2018

Trans Date	Investment Date	Type	Security	Call Date	Par Value	Coupon	Amount (Cost)	Return Rate	Interest	Investment Return
MAY	08/05/14	FA	FNMA	N/A	2,500,000.00	0.875%	2,460,777.84	1.300%	122,225.63	2,583,003.47
	09/18/14	CN	COLGATE-PALMOLIVE	N/A	1,000,000.00	0.900%	980,600.00	1.452%	51,975.00	1,032,575.00
	01/27/15	CN	COLGATE-PALMOLIVE	N/A	2,000,000.00	0.900%	1,983,000.00	1.166%	75,700.00	2,058,700.00
	02/25/16	CN	COLGATE-PALMOLIVE	N/A	2,500,000.00	0.009%	2,495,450.00	0.984%	53,675.00	2,549,125.00
	05/11/15	CN	APPLE INC	N/A	2,000,000.00	1.000%	1,989,840.00	1.174%	69,715.56	2,059,555.56
JUNE	05/15/13	CN	BERKSHIRE HATHAWAY	N/A	5,000,000.00	1.300%	5,019,345.05	1.220%	305,654.95	5,325,000.00
	05/29/15	CD	COMPASS BANK BIRMINGHAM	N/A	248,000.00	1.300%	248,000.00	1.300%	9,672.00	257,672.00
	05/30/13	FA	FHLB	N/A	3,000,000.00	1.050%	2,964,750.00	1.050%	193,100.00	3,157,850.00
	06/21/16	FA	FHLB	N/A	4,000,000.00	1.250%	4,034,280.00	0.809%	63,914.44	4,098,194.44
	12/24/15	CN	CHERVON CORP	N/A	2,250,000.00	1.718%	2,253,600.00	1.650%	93,037.50	2,346,637.50
	12/31/15	CN	CHERVON CORP	N/A	1,000,000.00	1.718%	996,300.00	1.871%	46,315.94	1,042,615.94
	06/04/15	CD	MEDALLION BANK	N/A	249,000.00	1.250%	249,000.00	1.250%	9,337.50	258,337.50
				N/A	248,000.00	1.100%	248,000.00	1.100%	5,456.00	253,456.00
TOTAL FOURTH QUARTER 2017-2018					37,741,000.00		37,680,010.39	1.102%	1,347,582.99	39,027,593.38

August 21, 2018

## CALLS

APRIL - NONE

MAY - NONE

JUNE - NONE

TOTAL FOURTH QUARTER 2017-2018

**INVESTMENT REPORT**  
**AS OF JUNE 30, 2018**

INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
10/19/2015	FA	FFCB 1.03% CALL 1/13/16 CONT	3,000,000.00	3,000,000.00	1.030%	84,460.00	3,084,460.00	998
5/5/2017	FA	PEFCO 1.875% NON-CALL	1,251,000.00	1,260,294.93	1.240%	18,722.26	1,279,017.19	436
12/29/2015	FA	FNMA 1.125% NON-CALL	1,000,000.00	997,610.00	1.220%	31,171.25	1,028,781.25	934
7/27/2016	FA	FNMA .875% ONE CALL 7/27/17	3,000,000.00	2,997,750.00	0.913%	54,750.00	3,052,500.00	730
1/27/2015	FA	FNMA 1.0% NON-CALL	1,100,000.00	1,096,139.00	1.102%	42,452.67	1,138,591.67	1,280
6/13/2017	FA	FAMCA 1.12% NON-CALL	1,000,000.00	998,290.00	1.120%	14,403.33	1,012,693.33	353
5/5/2014	FA	FFCB 1.6% NON-CALL	2,500,000.00	2,515,710.93	1.450%	157,622.40	2,673,333.33	1,584
10/27/2015	FA	FHLB 1.125% NON-CALL	4,000,000.00	4,020,840.00	0.941%	108,785.00	4,129,625.00	1,053
5/2/2014	FA	FNMA 1.875% NON-CALL	1,500,000.00	1,524,000.00	1.500%	99,125.00	1,623,125.00	1,600
1/16/2014	FA	FHLMC 1.20% CALL 9/24/14 ONE TIME	2,250,000.00	2,196,562.50	1.729%	180,037.50	2,376,600.00	1,712
5/23/2016	FA	FNMA 1.125% NON-CALL	2,000,000.00	2,006,660.00	0.984%	47,465.00	2,054,125.00	879
3/30/2015	FA	FHLB 1.30% NON-CALL	1,000,000.00	1,000,000.00	1.300%	46,583.33	1,046,583.33	1,310
5/2/2014	FA	FNMA 1.625% NON-CALL	2,000,000.00	2,008,347.18	1.530%	140,159.76	2,148,506.94	1,670
6/3/2014	FA	FNMA 1.625% NON-CALL	2,000,000.00	2,010,791.92	1.500%	134,826.14	2,145,618.06	1,638
7/21/2015	FA	FNMA 1.50% NON-CALL	1,000,000.00	1,006,875.00	1.290%	43,500.00	1,050,375.00	1,228
5/15/2015	FA	FNMA 1.25% CALL 6/14/15 QRTLY	1,000,000.00	997,500.00	1.322%	47,256.94	1,044,756.94	1,309
6/5/2015	FA	FHLB 1.75% NON-CALL	2,000,000.00	2,034,100.00	1.254%	16,625.00	2,050,725.00	1,288
2/20/2015	FA	FNMA 1.1% NON-CALL	1,000,000.00	992,180.00	1.300%	49,925.56	1,042,105.56	1,397
10/28/2015	FA	FFCB 1.15% CALL 1/28/16	4,650,000.00	4,648,837.50	1.158%	174,956.25	4,823,793.75	1,188
11/2/2015	FA	FNMA 1.20% CALL 4/29/16	5,000,000.00	4,992,500.00	1.247%	202,000.00	5,194,500.00	1,184
2/26/2016	FA	FFCB 1.03% NON-CALL	4,000,000.00	4,004,640.00	0.990%	117,357.78	4,121,997.78	1,096
12/9/2014	FA	FNMA 1.75% NON-CALL	2,500,000.00	2,515,625.00	1.596%	168,854.17	2,684,479.17	1,541
12/12/2014	FA	FNMA 1.70% NON-CALL	1,852,000.00	1,863,630.56	1.545%	120,864.61	1,984,495.17	1,538
10/6/2014	FA	FHLB 1.875% NON-CALL	2,000,000.00	2,011,440.00	1.875%	154,393.33	2,165,833.33	1,614
4/6/2015	FA	PEFCO 4.375% NON-CALL	2,274,000.00	2,527,892.10	1.450%	138,254.46	2,666,146.56	1,439
1/29/2016	FA	FHLB 4.250% NON-CALL	1,500,000.00	1,643,640.00	1.166%	20,895.83	1,664,535.83	1,158
12/19/2016	FA	FAMCA 1.86% NON-CALL	500,000.00	505,300.00	1.390%	16,167.50	521,467.50	842
6/6/2014	FA	FHLMC 1.2% CALL 5/7/15	1,000,000.00	976,800.00	1.693%	82,233.33	1,059,033.33	1,796
6/5/2015	FA	FHLMC 1.75% NON-CALL	1,650,000.00	1,670,229.00	1.432%	94,869.96	1,765,098.96	1,455
7/10/2015	FA	FHLMC 1.75% NON-CALL	1,000,000.00	1,015,100.00	1.350%	52,955.56	1,068,055.56	1,420
7/15/2015	FA	FAMCA 1.50% NON-CALL	1,060,000.00	1,060,000.00	1.500%	62,230.83	1,122,230.83	1,430
2/26/2016	FA	FAMCA 1.50% NON-CALL	3,000,000.00	3,033,300.00	1.156%	115,200.00	3,148,500.00	1,204
6/24/2015	FA	FFCB 1.52% NON CALL	2,000,000.00	2,002,320.00	1.490%	119,280.00	2,121,600.00	1,461
6/26/2015	FA	FFCB 1.52% NON-CALL	2,250,000.00	2,251,282.50	1.505%	135,327.50	2,386,610.00	1,459
6/28/2016	FA	FNMA 1.20% CALL 12/28/16	2,500,000.00	2,500,000.00	1.200%	90,000.00	2,590,000.00	1,095
1/23/2015	FA	FFCB 2.15% NON-CALL	3,250,000.00	3,354,097.50	1.410%	209,175.42	3,563,272.92	1,636
7/26/2016	FA	FNMA 1.05% ONE CALL 7/26/18	2,300,000.00	2,300,000.00	1.050%	48,300.00	2,348,300.00	1,095
10/3/2017	FA	FHLB 1.375% ONE CALL 4/26/19	1,800,000.00	1,796,328.00	1.489%	48,565.75	1,844,893.75	661
1/21/2015	FA	FHLMC 1.25% NON-CALL	2,500,000.00	2,493,975.00	1.305%	147,518.06	2,641,493.06	1,653
4/28/2016	FA	PEFCO 1.45% NON-CALL	2,600,000.00	2,617,570.80	1.240%	106,734.48	2,724,305.28	1,204
8/30/2016	FA	FNMA 1.0% ONE CALL 8/28/18	2,400,000.00	2,400,000.00	1.000%	71,866.67	2,471,866.67	1,093
10/23/2014	FA	FHLB 2.00% NON-CALL	1,500,000.00	1,525,968.30	1.630%	120,698.37	1,646,666.67	1,786
1/21/2015	FA	FHLB 1.375% NON-CALL	2,000,000.00	2,000,440.00	1.370%	127,282.22	2,127,722.22	1,696
1/27/2017	FA	FFCB 1.550% NON-CALL	1,000,000.00	1,003,130.00	1.430%	38,203.33	1,041,333.33	973
7/19/2016	FA	FHLMC 1.25% NON-CALL	3,000,000.00	3,027,363.00	1.250%	92,741.17	3,120,104.17	1,170
10/6/2015	FA	FNMA 1.33% NON-CALL	4,183,000.00	4,197,807.82	1.240%	210,509.47	4,408,317.29	1,479

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INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
5/26/2016	FA	FNMA 1.30% QRTL CALL	4,000,000.00	4,000,000.00	1.300%	182,000.00	4,182,000.00	1,279
6/15/2015	FA	FHLB 2.375% NON-CALL	3,370,000.00	3,468,026.56	1.700%	261,697.54	3,729,724.10	1,642
2/21/2017	FA	FHLB 2.375% NON-CALL	1,000,000.00	1,024,070.00	1.497%	42,693.89	1,066,763.89	1,025
5/19/2017	FA	FNMA 1.20% QUARTERLY CALL	2,500,000.00	2,482,475.00	1.475%	95,691.67	2,578,166.67	952
10/5/2015	FA	FHLMC 1.40% NON-CALL	3,500,000.00	3,519,495.00	1.265%	189,299.44	3,708,794.44	1,557
4/26/2017	FA	FHLMC 1.50% NON-CALL	1,250,000.00	1,251,150.00	1.465%	49,943.75	1,301,093.75	996
7/28/2016	FA	FNMA 1.20% CALL 7/28/17 ONE TIME	4,850,000.00	4,850,000.00	1.200%	203,700.00	5,053,700.00	1,279
5/13/2016	FA	FHLMC 1.30% CALL 2/13/17 ONE TIME	2,750,000.00	2,750,000.00	1.300%	134,062.50	2,884,062.50	1,371
6/11/2018	FA	FHLB 2.15% CALL 2/14/19 QRTL	1,500,000.00	1,491,780.00	2.485%	62,238.75	1,554,018.75	613
2/24/2016	FA	FHLMC 1.50% CONT CALL	1,750,000.00	1,750,000.00	1.500%	105,000.00	1,855,000.00	1,461
2/24/2016	FA	FFCB 1.4% CONT CALL	1,000,000.00	1,000,000.00	1.400%	56,000.00	1,056,000.00	1,461
1/4/2017	FA	FHLMC 1.25% QRTL CALL	2,000,000.00	1,978,000.00	1.610%	100,750.00	2,078,750.00	1,150
5/23/2016	FA	PEFCO 2.25% NON-CALL	3,000,000.00	3,099,000.00	1.358%	158,250.00	3,257,250.00	1,392
5/4/2018	FA	TENN VALLEY AUTHORITY 2.25% NON-CALL	1,700,000.00	1,692,265.00	2.500%	79,028.75	1,771,293.75	681
6/12/2018	FA	TENN VALLEY AUTHORITY 2.25% NON-CALL	1,250,000.00	1,244,200.00	2.520%	55,253.13	1,299,453.13	642
6/11/2018	FA	TENN VALLEY AUTHORITY 2.25% NON-CALL	1,250,000.00	1,244,622.50	2.500%	54,908.75	1,299,531.25	643
8/29/2017	FA	FFCB 1.67% CALL 7/2/18 CONT	2,000,000.00	1,999,600.00	1.678%	87,054.44	2,086,654.44	948
7/13/2016	FA	FNMA 1.25% CALL 4/13/17 ONE TIME	5,000,000.00	5,000,000.00	1.250%	234,375.00	5,234,375.00	1,370
1/6/2017	FA	FFCB 1.4% CONT CALL	1,000,000.00	992,000.00	1.652%	53,772.22	1,045,772.22	1,193
12/15/2017	FA	FAMCA 1.64% NON-CALL	1,500,000.00	1,487,706.00	2.000%	69,830.67	1,557,536.67	854
7/28/2016	FA	FNMA 1.25% CALL 4/28/17 ONE TIME	3,750,000.00	3,750,000.00	1.250%	175,781.25	3,925,781.25	1,370
5/4/2018	FA	FHLMC 1.50% CALL 5/11/18 QRTL	2,000,000.00	1,989,000.00	2.579%	104,083.33	2,093,083.33	738
1/13/2017	FA	FHLB 1.7% ONE CALL 5/15/19	1,650,000.00	1,650,000.00	1.700%	71,060.00	1,721,060.00	924
5/22/2017	FA	FHLMC 1.625% ONE CALL 5/22/18	1,200,000.00	1,200,000.00	1.625%	58,500.00	1,258,500.00	1,096
5/24/2017	FA	FHLMC 1.625% ONE CALL 5/19/20	2,250,000.00	2,255,062.50	1.548%	104,523.44	2,359,585.94	1,101
6/27/2017	FA	FHLMC 1.625% ONE CALL 5/19/20	1,600,000.00	1,604,000.00	1.537%	71,977.78	1,675,977.78	1,067
6/5/2017	FA	FHLB 1.6% CALL 12/5/17 CONT	1,300,000.00	1,300,000.00	1.600%	62,400.00	1,362,400.00	1,096
6/8/2017	FA	FHLB 1.60% CALL 12/5/17 CONT	2,500,000.00	2,500,000.00	1.600%	120,000.00	2,620,000.00	1,093
6/8/2017	FA	FHLMC 1.25% CALL 12/8/17 QRTL STEP	2,550,000.00	2,549,490.00	2.021%	155,103.75	2,704,593.75	1,096
6/12/2015	FA	FHLB 1.75% NON-CALL	3,000,000.00	3,000,000.00	1.750%	262,500.00	3,262,500.00	1,827
2/23/2016	FA	FHLB 1.75% NON-CALL	2,000,000.00	2,039,980.00	1.271%	110,617.22	2,150,597.22	1,571
4/15/2016	FA	FNMA 1.35% NON-CALL	2,150,000.00	2,159,632.00	1.240%	112,192.37	2,271,824.37	1,533
7/13/2016	FA	FFCB 1.19% CALL 7/13/17 CONT	4,250,000.00	4,250,000.00	1.190%	202,300.00	4,452,300.00	1,461
4/13/2018	FA	FFCB 1.29% CALL 4/19/18 CONT	2,000,000.00	1,948,000.00	2.485%	110,050.00	2,058,050.00	822
4/27/2017	FA	FHLMC 1.7% CALL 4/27/18	1,600,000.00	1,600,000.00	1.700%	88,400.00	1,688,400.00	1,187
1/21/2016	FA	FHLB 1.83% NON-CALL	2,500,000.00	2,549,375.00	1.378%	157,516.67	2,706,891.67	1,651
9/7/2016	FA	FFCB 1.32% CALL 8/24/17 CONT	3,000,000.00	2,998,260.00	1.335%	158,710.00	3,156,970.00	1,447
4/19/2016	FA	FHLMC 1.65% NON-CALL	1,000,000.00	1,017,760.00	1.230%	54,152.50	1,071,912.50	1,592
6/8/2016	FA	FHLB 2.875% NON-CALL	3,000,000.00	3,206,160.00	1.214%	161,121.25	3,367,281.25	1,556
10/12/2016	FA	FHLB 1.375% NON-CALL	1,800,000.00	1,808,975.18	1.244%	87,893.57	1,896,868.75	1,430
4/13/2018	FA	FFCB 2.47% CALL 6/15/18 CONT	1,750,000.00	1,748,757.50	2.500%	105,943.06	1,854,700.56	886
10/12/2016	FA	FHLB 1.375% CALL 1/6/17	1,800,000.00	1,797,300.00	1.414%	101,287.50	1,898,587.50	1,455
4/26/2017	FA	FNMA 2.35% SEMI-ANNUAL CALL	1,300,000.00	1,332,019.00	1.618%	74,057.39	1,406,076.39	1,269
4/23/2018	FA	FNMA 1.9% CALL 7/27/18 CONT	1,750,000.00	1,721,125.00	2.583%	112,369.44	1,833,494.44	918
7/22/2016	FA	FNMA 1.65% NON-CALL	3,250,000.00	3,316,612.00	1.165%	166,507.79	3,483,119.79	1,589
11/27/2017	FA	FHLMC 1.875% ONE CALL 11/27/18	1,500,000.00	1,500,000.00	1.875%	84,375.00	1,584,375.00	1,096

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INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
6/15/2017	FA	FNMA 2.0% NON-CALL	1,100,000.00	1,113,618.00	1.630%	62,404.22	1,176,022.22	1,264
6/14/2016	FA	FFCB 1.54% CALL 6/14/17 CONT	2,250,000.00	2,250,000.00	1.540%	155,925.00	2,405,925.00	1,644
6/21/2016	FA	FFCB 1.55% CALL 9/21/16 CONT	2,000,000.00	2,000,000.00	1.550%	139,500.00	2,139,500.00	1,644
3/10/2017	FA	FAMCA 2.0% NON-CALL	1,580,000.00	1,576,287.00	2.063%	125,285.22	1,701,572.22	1,407
4/26/2016	FA	FFCB 1.60% CALL 7/19/16 CONT	3,250,000.00	3,247,010.00	1.620%	248,978.89	3,495,988.89	1,729
7/19/2016	FA	FHLB 1.40% CALL 10/19/16 CONT	3,500,000.00	3,500,000.00	1.400%	220,500.00	3,720,500.00	1,645
9/9/2016	FA	FAMCA 1.550% NON-CALL	2,000,000.00	2,018,640.00	1.550%	117,071.11	2,135,711.11	1,599
10/12/2016	FA	TENN VALLEY AUTHORITY 3.875% NON-CALL	3,000,000.00	3,315,660.00	1.370%	189,058.75	3,504,718.75	1,587
8/16/2017	FA	FNMA 1.75% CALL 8/16/18	2,000,000.00	2,000,000.00	1.750%	122,500.00	2,122,500.00	1,280
2/26/2016	FA	FHLMC 1.25% QRTLY CALL STEP	1,000,000.00	999,500.00	2.103%	106,750.00	1,106,250.00	1,827
2/26/2016	FA	FHLB 1.69% CALL 8/26/16 CONT	480,000.00	480,000.00	1.690%	74,495.20	554,495.20	1,827
2/14/2018	FA	FHLB 2.375% NON-CALL	1,500,000.00	1,500,768.00	2.357%	108,778.87	1,609,546.87	1,122
6/12/2018	FA	FHLB 1.75% NON-CALL	1,000,000.00	976,760.00	2.631%	71,365.00	1,048,125.00	1,004
3/22/2016	FA	FHLB 1.25% QRTLY CALL 6/22/16 STEP	2,500,000.00	2,498,750.00	1.870%	235,625.00	2,734,375.00	1,826
9/29/2017	FA	FHLMC 1.75% ONE CALL 9/26/18	2,535,000.00	2,531,197.50	1.794%	158,701.56	2,689,899.06	1,274
10/26/2017	FA	FHLMC 1.85% ONE CALL 10/26/18	1,975,000.00	1,974,012.50	1.865%	128,868.75	2,102,881.25	1,278
4/26/2018	FA	FHLB 2.68% CALL 4/26/19 CONT	2,000,000.00	2,000,000.00	2.680%	160,800.00	2,160,800.00	1,096
4/28/2016	FA	FHLMC 1.25% QRTLY CALL 10/28/16 STEP	2,500,000.00	2,496,250.00	2.122%	269,375.00	2,765,625.00	1,826
5/25/2016	FA	FFCB 1.66% CALL 5/25/17 CONT	4,000,000.00	3,997,600.00	1.673%	334,400.00	4,332,000.00	1,826
9/12/2017	FA	FHLB 1.875% CALL 9/18/17 CONT	2,500,000.00	2,498,750.00	1.875%	175,598.96	2,674,348.96	1,358
10/12/2016	FA	FHLB 2.25% NON-CALL	1,500,000.00	1,559,427.00	1.370%	97,979.25	1,657,406.25	1,703
6/15/2017	FA	FFCB 1.81% CALL 6/14/18 CONT	1,760,000.00	1,760,000.00	1.810%	127,335.51	1,887,335.51	1,460
6/15/2017	FA	FHLMC 1.8% CALL 6/15/18 ONE TIME	1,400,000.00	1,400,000.00	1.800%	100,800.00	1,500,800.00	1,461
10/26/2016	FA	FHLB 1.125% NON-CALL	2,500,000.00	2,476,850.00	1.328%	155,806.25	2,632,656.25	1,722
4/24/2018	FA	FHLB 1.0% CALL 7/27/18 QRTLY	1,400,000.00	1,358,518.00	2.743%	141,348.67	1,499,866.67	1,190
10/2/2017	FA	FHLMC 2.0% ONE CALL 7/27/18	3,000,000.00	3,004,500.00	1.959%	224,666.67	3,229,166.67	1,394
2/16/2017	FA	FHLMC 1.875% NON-CALL	1,400,000.00	1,392,580.00	2.000%	124,086.67	1,516,666.67	1,621
11/17/2016	FA	FNMA 1.00% CALL 1/28/17 QRTLY CALL STEP	2,600,000.00	2,596,100.00	2.079%	256,027.78	2,852,127.78	1,714
2/16/2017	FA	FHLB 2.0% CALL 2/16/18 ONE TIME	1,325,000.00	1,325,000.00	2.000%	119,250.00	1,444,250.00	1,642
12/19/2017	FA	FHLMC 1.125% NON-CALL	1,000,000.00	967,646.98	2.050%	73,384.27	1,041,031.25	1,332
5/1/2018	FA	FFCB 1.84% CALL 5/7/18 CONT	2,000,000.00	1,946,000.00	2.684%	177,893.33	2,123,893.33	1,231
12/1/2017	FA	FFCB 2.0% CALL 10/05/18 CONT	2,750,000.00	2,739,907.50	2.100%	220,009.17	2,959,916.67	1,394
10/28/2016	FA	FNMA 1.375% NON-CALL	2,500,000.00	2,491,075.00	1.450%	178,794.79	2,669,869.79	1,805
1/3/2018	FA	FAMCA 1.625% QRTLY CALL	3,000,000.00	1,951,928.00	2.285%	172,294.22	2,124,222.22	1,395
11/29/2016	FA	FFCB 1.76% NON-CALL	3,000,000.00	3,000,000.00	1.760%	264,000.00	3,264,000.00	1,826
4/12/2017	FA	FHLB 1.875% NON-CALL	2,000,000.00	2,003,620.00	1.834%	171,171.67	2,174,791.67	1,703
1/7/1900	FA	FFCB 2.23% CALL CONT	3,000,000.00	2,992,500.00	2.296%	272,870.00	3,265,370.00	44,544
2/27/2018	FA	FFCB 2.73% CALL CONT	1,800,000.00	1,800,000.00	2.730%	194,785.50	1,994,785.50	1,448
2/23/2017	FA	FAMCA 2.1% NON-CALL	2,600,000.00	2,609,204.00	2.025%	263,796.00	2,873,000.00	1,826
5/23/2018	FA	FHLMC 3.0% CALL 11/23/18 QRTLY	3,000,000.00	3,000,000.00	3.000%	337,500.00	3,337,500.00	1,372
3/9/2018	FA	FFCB 2.8% CALL 2/28/19 CONT	1,250,000.00	1,249,687.50	2.807%	139,243.06	1,388,930.56	1,452
3/13/2018	FA	FFCB 2.8% DUE CALL 2/28/19 CONT	1,250,000.00	1,250,000.00	2.800%	138,541.67	1,388,541.67	1,448
3/7/2018	FA	FFCB 2.85% CALL 6/7/18 CONT	1,250,000.00	1,250,000.00	2.850%	142,500.00	1,392,500.00	1,461
3/29/2017	FA	FHLMC 1.375 ONE CALL 3/29/18 STEP	1,500,000.00	1,500,000.00	2.265%	170,625.00	1,670,625.00	1,826
3/29/2017	FA	FHLMC 2.35 QRTLY CALL	1,150,000.00	1,150,000.00	2.350%	135,125.00	1,285,125.00	1,826
5/25/2017	FA	FNMA 1.875% NON-CALL	1,600,000.00	1,600,581.01	1.867%	145,252.32	1,745,833.33	1,776
8/18/2017	FA	FFCB 1.92% CALL 4/19/17 CONT	2,000,000.00	1,992,860.00	2.200%	186,446.67	2,179,306.67	1,705

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INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
11/3/2017	FA	FHLB 2.0% ONE CALL 10/25/19	2,000,000.00	1,998,000.00	2.020%	181,111.11	2,179,111.11	1,634
4/27/2017	FA	FHLMC 2.625% CALL 4/27/22	3,500,000.00	3,545,920.00	2.345%	413,455.00	3,959,375.00	1,826
4/27/2017	FA	FHLMC 1.75% QRTLY CALL STEP	1,180,000.00	1,180,000.00	2.625%	154,875.00	1,334,875.00	1,826
3/9/2018	FA	FHLMC 2.070% CALL 6/14/18 QRTLY	1,000,000.00	980,000.00	2.568%	108,262.50	1,088,262.50	1,558
6/5/2018	FA	FFCB 1.83% CALL 6/11/18 CONT	1,000,000.00	965,500.00	2.740%	108,208.33	1,073,708.33	1,471
6/22/2017	FA	FHLMC 2.00% QRTLY CALL STEP	875,000.00	875,000.00	2.175%	95,156.25	970,156.25	1,826
6/29/2017	FA	FHLMC 2.15% QRTLY CALL	2,500,000.00	2,500,000.00	2.150%	268,750.00	2,768,750.00	1,826
12/19/2017	FA	FHLMC 2.15% QRTLY CALL	1,500,000.00	1,494,000.00	2.243%	152,020.83	1,646,020.83	1,653
1/8/2018	FA	FHMC 2.22% ONE CALL 7/1/20	1,500,000.00	1,500,000.00	2.220%	149,202.50	1,649,202.50	1,635
4/27/2018	FA	FHLMC 1.75% CALL 7/18/18 QRTLY STEP	1,000,000.00	981,100.00	2.901%	121,837.50	1,102,937.50	1,543
11/3/2017	FA	FFCB 2.15% CALL 1/26/18 CONT	1,400,000.00	1,400,000.00	2.150%	142,389.72	1,542,389.72	1,726
4/17/2018	FA	FFCB 1.670% CALL 4/23/18 CONT	2,000,000.00	1,912,000.00	2.750%	233,290.00	2,145,290.00	1,589
12/1/2017	FA	FHLB 2.0% NON-CALL	1,750,000.00	1,739,692.50	2.130%	177,335.28	1,917,027.78	1,743
12/1/2017	FA	FFCB 1.94% CALL 9/12/18 CONT	1,250,000.00	1,236,950.00	2.171%	128,978.47	1,365,928.47	1,746
2/26/2018	FA	FHLB 1.45% CALL 3/13/18 QRTLY STEP	2,000,000.00	1,997,000.00	3.772%	348,619.44	2,345,619.44	1,660
9/28/2017	FA	FNMA 2.0% ONE CALL 9/28/18	2,500,000.00	2,500,000.00	2.000%	249,861.11	2,749,861.11	1,826
3/9/2018	FA	FNMA 2.0% NON-CALL	1,000,000.00	971,120.00	2.000%	120,324.44	1,091,444.44	1,671
10/26/2017	FA	FHLMC 2.05% CALL 1/26/18	3,250,000.00	3,250,000.00	2.342%	382,687.50	3,632,687.50	1,826
11/30/2017	FA	FHLMC 2.05% CALL 1/26/18	2,500,000.00	2,500,000.00	2.300%	287,180.56	2,787,180.56	1,824
4/24/2018	FA	FHLB 2.5% NON-CALL	2,250,000.00	2,215,102.50	2.500%	295,053.75	2,510,156.25	1,690
12/27/2017	FA	FHLMC 2.30% CALL 12/27/19	3,000,000.00	3,000,000.00	2.300%	345,000.00	3,345,000.00	1,826
12/29/2017	FA	FHLMC 2.5% CALL 3/29/18	2,000,000.00	2,000,000.00	2.500%	250,000.00	2,250,000.00	1,826
3/9/2018	FA	FHLMC 2.55% 1/30/19 QRTLY	2,000,000.00	1,970,800.00	2.872%	278,675.00	2,249,475.00	1,788
2/23/2018	FA	FHLB 2.63% NON-CALL	2,750,000.00	2,722,500.00	2.848%	384,705.14	3,107,205.14	1,804
4/10/2018	FA	FHLMC 2.625% CALL QRTLY	2,500,000.00	2,474,500.00	2.851%	343,781.25	2,818,281.25	1,773
2/13/2018	FA	FHLB 2.850% CALL 2/28/19 CONT	1,000,000.00	1,000,000.00	2.850%	142,500.00	1,142,500.00	1,841
3/13/2018	FA	FHLMC 2.25% CALL 8/28/18 QRTLY STEP	1,250,000.00	1,250,000.00	3.129%	195,703.12	1,445,703.12	1,813
3/27/2018	FA	FHLMC 3.05% CALL 6/27/18 QRTLY	3,000,000.00	3,000,000.00	3.050%	457,500.00	3,457,500.00	1,826
5/4/2018	FA	FFCB 3.0% CALL 4/25/19 CONT	2,500,000.00	2,496,250.00	3.033%	376,875.00	2,873,125.00	1,817
4/27/2018	FA	FHLMC 3.05% CALL 7/27/18 QRTLY	2,000,000.00	2,000,000.00	3.050%	305,000.00	2,305,000.00	1,826
5/4/2018	FA	FHLMC 3.05% CALL 7/27/18 QRTLY	2,415,000.00	2,412,585.00	3.072%	369,270.27	2,781,855.27	1,819
6/4/2018	FA	FHLMC 3.05% CALL 6/26/20 ONE CALL	1,250,000.00	1,250,000.00	3.050%	190,625.00	1,440,625.00	1,848
SUB-TOTAL				358,379,574.77	1.780%	25,450,030.07	383,829,604.84	1,669
1/23/2015	FN	FNMA 0% NON-CALL	1,163,000.00	1,086,447.85	1.700%	76,552.15	1,163,000.00	1,470
4/24/2017	FN	FNMA 0% NON-CALL	500,000.00	487,450.00	1.442%	12,550.00	500,000.00	648
1/21/2015	FN	FICO 0% NON-CALL	4,000,000.00	3,772,000.00	1.400%	228,000.00	4,000,000.00	1,535
4/1/2015	FN	FICO 0% NON-CALL	2,100,000.00	1,958,591.39	1.560%	141,408.61	2,100,000.00	1,639
9/23/2015	FN	FICO 0% NON-CALL	3,200,000.00	3,003,168.00	1.590%	196,832.00	3,200,000.00	1,464
3/3/2015	FN	FNMA 0% NON-CALL	2,000,000.00	1,825,044.00	2.000%	174,956.00	2,000,000.00	1,681
11/7/2016	FN	FNMA 0% NON-CALL	2,200,000.00	2,115,792.80	1.340%	84,207.20	2,200,000.00	1,066
1/27/2017	FN	FNMA 0% NON-CALL	1,000,000.00	950,223.00	1.900%	49,777.00	1,000,000.00	985
10/23/2015	FN	RFCSP 0% NON-CALL	3,000,000.00	2,750,760.00	1.750%	249,240.00	3,000,000.00	1,819
SUB-TOTAL				17,949,477.04	1.6026%	1,213,522.96	19,163,000.00	1,367

# INVESTMENT REPORT AS OF JUNE 30, 2018

August 21, 2018

INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
Federal Investments Total								
			376,478,000.00	376,329,051.81		26,663,553.03	402,992,604.84	1,654
8/3/2017	SN	IBRD 1.125% NON-CALL	2,000,000.00	1,972,100.00	1.600%	95,837.50	2,067,937.50	1,103
1/8/2018	SN	IBRD 1.625% ONE CALL 4/5/19 STEP	1,500,000.00	1,486,500.00	2.164%	88,765.62	1,575,265.62	1,001
1/8/2018	SN	IADB 2.125% NON-CALL	2,000,000.00	1,988,880.00	2.270%	182,300.56	2,171,180.56	1,471
10/10/2017	SN	IBRD 1.875% NON-CALL	1,300,000.00	1,290,907.89	2.024%	130,763.88	1,421,671.77	1,823
12/18/2017	SN	IBRD 2.00% NON-CALL	2,500,000.00	2,485,325.00	2.150%	219,952.78	2,705,277.78	1,500
1/18/2018	SN	IADB 2.50% NON-CALL	1,700,000.00	1,702,652.00	2.467%	209,848.00	1,912,500.00	1,826
1/24/2018	SN	IADB 2.50% NON-CALL	1,000,000.00	997,670.00	2.550%	126,913.33	1,124,583.33	1,820
Supranational Investment Total								
			12,000,000.00	11,924,034.89	2.146%	1,054,381.67	12,978,416.56	1,506
10/7/2014	TR	US TREASURY 1.375%	1,400,000.00	1,400,251.69	1.370%	73,191.24	1,473,442.93	1,393
7/16/2014	TR	US TREASURY 1.50%	4,000,000.00	4,009,600.00	1.496%	237,900.00	4,247,500.00	1,507
7/24/2014	TR	US TREASURY 1.50%	2,000,000.00	2,006,348.00	1.420%	116,749.83	2,123,097.83	1,499
10/7/2014	TR	US TREASURY 1.50%	1,500,000.00	1,505,664.36	1.400%	82,035.92	1,587,700.28	1,424
8/5/2014	TR	US TREASURY 1.25%	3,000,000.00	2,974,200.00	1.460%	184,665.49	3,158,865.49	1,548
12/29/2015	TR	US TREASURY 1.25%	2,000,000.00	1,998,878.00	1.270%	72,069.80	2,070,947.80	1,037
4/15/2016	TR	US TREASURY 1.25%	1,500,000.00	1,515,292.97	0.850%	33,127.36	1,548,420.33	944
10/3/2014	TR	US TREASURY 1.50%	1,000,000.00	1,000,000.00	1.500%	63,627.72	1,063,627.72	1,550
6/5/2015	TR	US TREASURY 1.50%	2,000,000.00	2,015,296.00	1.285%	94,344.88	2,109,640.88	1,336
1/27/2017	TR	US TREASURY 1.375%	1,000,000.00	1,003,590.00	1.200%	25,125.47	1,028,715.47	762
10/6/2015	TR	US TREASURY 1.625%	4,000,000.00	4,083,992.00	1.010%	142,442.43	4,226,434.43	1,272
1/27/2017	TR	US TREASURY 1.50%	1,000,000.00	1,005,980.00	1.220%	26,616.15	1,032,596.15	793
12/19/2016	TR	US TREASURY 1.25%	800,000.00	798,640.00	1.323%	25,006.41	823,646.41	862
7/21/2015	TR	US TREASURY 1.5%	1,500,000.00	1,505,156.25	1.408%	81,708.50	1,586,864.75	1,410
2/21/2017	TR	US TREASURY 1.5%	800,000.00	803,875.00	1.283%	23,388.74	827,263.74	829
8/1/2014	TR	US TREASURY 1.625%	2,515,000.00	2,500,019.15	1.750%	219,213.54	2,719,232.69	1,825
10/6/2014	TR	US TREASURY 1.00%	1,000,000.00	964,920.00	1.036%	84,085.52	1,049,005.52	1,790
1/10/2017	TR	US TREASURY 1.625%	1,250,000.00	1,258,593.75	1.358%	44,936.98	1,303,530.73	963
12/22/2016	TR	US TREASURY 1.375%	2,200,000.00	2,184,531.25	1.602%	111,901.07	2,296,432.32	1,164
1/10/2017	TR	US TREASURY 1.375%	1,400,000.00	1,395,520.00	1.480%	64,835.66	1,460,355.66	1,145
5/24/2016	TR	US TREASURY 1.375%	2,300,000.00	2,315,093.75	1.204%	109,343.75	2,424,437.50	1,437
12/19/2016	TR	US TREASURY 1.625%	1,350,000.00	1,345,570.31	1.721%	81,926.29	1,427,496.60	1,289
12/2/2016	TR	US TREASURY 1.625%	1,500,000.00	1,500,000.00	1.625%	89,286.68	1,589,286.68	1,337
6/7/2017	TR	US TREASURY 1.625%	2,000,000.00	2,011,320.00	1.440%	91,028.07	2,102,348.07	1,150
9/22/2015	TR	US TREASURY 2.125%	3,000,000.00	3,085,500.00	2.097%	229,396.98	3,314,896.98	1,805
10/28/2016	TR	US TREASURY 1.375%	1,750,000.00	1,759,570.31	1.235%	86,875.85	1,846,446.16	1,464
12/2/2016	TR	US TREASURY 1.375%	1,200,000.00	1,186,200.00	1.680%	78,341.44	1,264,541.44	1,429
1/13/2017	TR	US TREASURY 1.375%	1,300,000.00	1,289,234.38	1.601%	78,611.61	1,367,845.99	1,387
1/5/2016	TR	US TREASURY 2.375%	4,000,000.00	4,127,500.00	1.705%	346,195.00	4,473,695.00	1,822
5/5/2016	TR	US TREASURY 1.75%	2,000,000.00	2,049,174.00	1.205%	113,710.62	2,162,884.62	1,701
1/20/2017	TR	US TREASURY 1.125%	2,750,000.00	2,673,515.63	1.831%	203,567.42	2,877,083.05	1,500

# INVESTMENT REPORT AS OF JUNE 30, 2018

INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
2/17/2017	TR	US TREASURY 1.125%	1,225,000.00	1,194,853.52	1.760%	85,690.25	1,280,543.77	1,472
5/9/2017	TR	US TREASURY 1.25%	1,400,000.00	1,374,786.00	1.730%	93,349.25	1,468,135.25	1,422
8/19/2016	TR	US TREASURY 1.375%	3,000,000.00	3,037,662.00	1.100%	156,145.74	3,193,807.74	1,715
12/16/2016	TR	US TREASURY 2.000%	2,250,000.00	2,250,000.00	2.000%	200,521.98	2,450,521.98	1,627
10/28/2016	TR	US TREASURY 1.125%	2,500,000.00	2,477,400.00	1.325%	154,053.80	2,631,453.80	1,706
12/16/2016	TR	US TREASURY 1.125%	2,650,000.00	2,547,312.50	2.022%	238,058.93	2,785,371.43	1,657
1/20/2017	TR	US TREASURY 1.125%	1,500,000.00	1,448,203.13	1.925%	145,113.79	1,593,316.92	1,653
2/20/2018	TR	US TREASURY 1.125%	2,000,000.00	1,911,080.00	2.450%	168,167.24	2,079,247.24	1,288
12/2/2016	TR	US TREASURY 2.125%	1,600,000.00	1,615,500.00	1.913%	148,615.38	1,764,115.38	1,763
3/10/2017	TR	US TREASURY 1.125%	1,200,000.00	1,150,500.00	2.078%	111,028.85	1,261,528.85	1,665
5/19/2017	TR	US TREASURY 1.125%	1,500,000.00	1,464,375.00	1.691%	109,303.28	1,573,678.28	1,595
2/14/2018	TR	US TREASURY 2.125%	1,500,000.00	1,486,406.25	2.387%	129,096.84	1,615,503.09	1,324
11/17/2016	TR	US TREASURY 2.00%	2,000,000.00	2,030,000.00	1.683%	168,121.55	2,198,121.55	1,809
11/18/2016	TR	US TREASURY 2.00%	2,000,000.00	2,028,360.00	1.700%	169,651.15	2,198,011.15	1,808
11/22/2016	TR	US TREASURY 2.00%	2,000,000.00	2,016,562.50	1.825%	182,664.02	2,199,226.52	1,819
1/6/2017	TR	US TREASURY 2.125%	4,000,000.00	4,052,128.00	1.850%	371,463.16	4,423,591.16	1,820
2/3/2017	TR	US TREASURY 2.125%	1,850,000.00	1,867,632.81	1.920%	175,237.36	2,042,870.17	1,792
1/20/2017	TR	US TREASURY 1.50%	3,000,000.00	2,928,555.00	2.000%	297,790.11	3,226,345.11	1,837
3/2/2017	TR	US TREASURY 1.750%	3,000,000.00	2,963,925.00	2.000%	302,757.69	3,266,682.69	1,855
5/15/2017	TR	US TREASURY 1.750%	2,000,000.00	1,985,625.00	1.901%	189,375.00	2,175,000.00	1,826
8/25/2017	TR	US TREASURY 1.875%	1,250,000.00	1,257,346.25	1.750%	108,249.03	1,365,595.28	1,801
8/31/2017	TR	US TREASURY 1.875%	3,000,000.00	3,019,290.00	1.740%	261,960.00	3,281,250.00	1,826
11/28/2017	TR	US TREASURY 1.625%	1,000,000.00	980,950.00	2.030%	99,716.44	1,080,666.44	1,813
SUB-TOTAL				106,361,479.76	1.621%	7,381,387.26	113,742,867.02	1,486
1/28/2016	CN	TOYOTA 1.55% NON-CALL	2,000,000.00	2,014,400.00	1.252%	61,808.33	2,076,208.33	897
12/19/2014	CN	MASS MUTUAL GLOBAL 2.10% NON-CALL	3,500,000.00	3,555,685.00	1.645%	210,344.17	3,766,029.17	1,322
2/19/2015	CN	ROYAL BANK OF CANADA 2.00% NON-CALL	2,250,000.00	2,289,442.50	1.500%	123,307.50	2,412,750.00	1,320
7/12/2016	CN	IBM CORP 7.625% MAKE WHOLE CALL	2,628,000.00	3,005,118.00	1.167%	75,418.12	3,080,536.12	825
4/19/2016	CN	NY LIFE 1.55% NON-CALL	2,000,000.00	2,014,620.00	1.256%	63,999.45	2,078,619.45	927
12/24/2013	CN	COCA COLA CA 1.650% MAKE-WHOLE CALL	3,500,000.00	3,491,856.17	1.700%	288,391.75	3,780,247.92	1,782
10/28/2015	CN	JOHNSON & JOHNSON 1.65% MAKE WHOLE	4,000,000.00	4,070,600.00	1.070%	134,183.33	4,204,783.33	1,134
4/9/2015	CN	MICROSOFT 1.625% NON-CALL	2,000,000.00	2,037,820.00	1.096%	81,075.83	2,118,895.83	1,337
12/22/2015	CN	EXXON MOBIL 1.819% NON-CALL	1,250,000.00	1,259,125.00	1.580%	64,329.76	1,323,454.76	1,179
6/30/2015	CN	MASS MUTUAL GLOBAL 2.35% NON-CALL	3,250,000.00	3,286,335.00	2.040%	251,980.62	3,538,315.62	1,379
10/8/2015	CN	APPLE 2.10% MAKE WHOLE CALL	2,500,000.00	2,558,025.00	1.432%	129,808.33	2,687,833.33	1,306
5/27/2015	CN	IBM CORP 1.8750% NON-CALL	2,150,000.00	2,169,715.50	1.635%	140,190.75	2,309,906.25	1,449
7/16/2015	CN	TOYOTA 2.125% NON-CALL	2,000,000.00	2,009,760.00	1.998%	160,476.11	2,170,236.11	1,463
1/22/2018	CN	WELLS FARGO BANK 1.75% NON-CALL	3,000,000.00	2,983,050.00	2.180%	87,241.67	3,070,291.67	610
11/18/2014	CN	CHEVRON CORP 2.193% MAKE-WHOLE CALL	3,000,000.00	3,017,400.00	2.070%	311,001.75	3,328,401.75	1,823
12/22/2015	CN	CHEVRON CORP 2.193% MAKE-WHOLE CALL	2,800,000.00	2,811,200.00	2.083%	228,105.03	3,039,305.03	1,424
12/13/2017	CN	CHEVRON CORP 2.193% MAKE-WHOLE CALL	2,500,000.00	2,512,725.00	1.190%	92,660.83	2,605,385.83	702
4/20/2016	CN	JOHNSON & JOHNSON 1.875% MAKE WHOLE CALL	2,250,000.00	2,315,250.00	1.057%	87,679.69	2,402,929.69	1,324
1/17/2018	CN	WELLS FARGO BANK 2.15%	2,500,000.00	2,499,750.00	2.155%	101,628.47	2,601,378.47	688

# INVESTMENT REPORT AS OF JUNE 30, 2018

INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
4/9/2015	CN	NY LIFE GOLBAL 1.95% NON-CALL	2,000,000.00	2,017,520.00	1.760%	171,196.67	2,188,716.67	1,769
1/20/2017	CN	NY LIFE GOLBAL 1.95% NON-CALL	2,000,000.00	2,000,000.00	1.950%	119,275.00	2,119,275.00	1,117
9/25/2015	CN	CVX 1.961% MAKE WHOLE CALL	2,800,000.00	2,790,704.00	2.039%	253,026.51	3,043,730.51	1,621
11/4/2015	CN	EXXON MOBIL 1.912% MAKE WHOLE CALL	5,000,000.00	5,057,700.00	1.630%	357,097.78	5,414,797.78	1,584
11/3/2015	CN	APPLE 2.0% MAKE WHOLE CALL	4,000,000.00	4,028,000.00	1.837%	332,666.66	4,360,666.66	1,646
5/24/2016	CN	IBM 1.625% MAKE-WHOLE CALL	1,500,000.00	1,503,000.00	1.573%	93,890.62	1,596,890.62	1,452
11/3/2015	CN	MMM 2.0% MAKE WHOLE CALL	3,500,000.00	3,554,215.00	1.660%	279,062.78	3,833,277.78	1,739
9/25/2015	CN	JOHNSON & JOHNSON 2.95% MAKE WHOLE	1,000,000.00	1,058,028.49	1.718%	87,504.84	1,145,533.33	1,803
9/24/2015	CN	AUTOMATIC DATA PROCESSING 2.25% MAKE-WHOLE	4,000,000.00	4,029,600.00	2.090%	418,150.00	4,447,750.00	1,818
11/10/2015	CN	MICROSOFT 2.00% MAKE WHOLE CALL	5,000,000.00	5,018,550.00	1.920%	479,505.56	5,498,055.56	1,820
6/10/2016	CN	MICROSOFT 2.00% MAKE WHOLE CALL	1,500,000.00	1,539,450.00	1.370%	92,466.67	1,631,916.67	1,607
11/13/2017	CN	APPLE INC 2.0% MAKE WHOLE CALL	2,500,000.00	2,497,900.00	2.000%	152,100.00	2,650,000.00	1,096
6/29/2017	CN	TOYOTA 2.0% CALL 6/29/20	3,000,000.00	3,000,000.00	2.000%	210,000.00	3,210,000.00	1,279
2/26/2018	CN	WELLS FARGO BANK 2.6% NON-CALL	2,000,000.00	1,982,700.00	2.914%	167,377.77	2,150,077.77	1,054
4/28/2016	CN	EXXON MOBIL 2.222% MAKE WHOLE CALL	2,000,000.00	2,042,900.00	1.750%	172,263.67	2,215,163.67	1,768
7/26/2016	CN	EXXON MOBIL 2.222% MAKE WHOLE CALL	1,000,000.00	1,034,050.00	1.440%	68,038.55	1,102,088.55	1,679
9/16/2016	CN	TOYOTA 1.90% MAKE WHOLE CALL	3,000,000.00	3,031,680.00	1.659%	228,303.33	3,259,983.33	1,665
6/13/2018	CN	CHEVRON 2.1% MAKE WHOLE	3,250,000.00	3,175,770.00	2.920%	273,861.25	3,449,631.25	1,068
5/26/2016	CN	ALPHABET, INC 3.625% MAKE WHOLE CALL	1,000,000.00	1,094,000.00	1.651%	86,545.14	1,180,545.14	1,819
4/17/2017	CN	ALPHABET, INC 3.625% MAKE WHOLE CALL	2,000,000.00	2,136,700.00	1.883%	159,744.44	2,296,444.44	1,493
5/14/2017	CN	ALPHABET, INC 3.625% MAKE WHOLE CALL	2,000,000.00	2,133,400.00	1.900%	159,620.83	2,293,020.83	1,466
9/13/2016	CN	MIRCOSOF 1.55% MAKE WHOLE CALL	6,000,000.00	5,995,740.00	1.565%	460,218.33	6,455,958.33	1,790
2/7/2017	CN	MIRCOSOF 1.55% MAKE WHOLE CALL	2,000,000.00	1,947,120.00	2.170%	192,466.11	2,139,586.11	1,643
2/22/2018	CN	MIRCOSOF 1.55% MAKE WHOLE CALL	1,500,000.00	1,441,912.50	2.730%	138,558.33	1,580,470.83	1,263
10/14/2016	CN	COCA COLA 1.55% MAKE WHOLE CALL	3,600,000.00	3,581,496.00	1.660%	290,839.00	3,872,335.00	1,783
1/10/2018	CN	COCA COLA 3.30% MAKE WHOLE CALL	1,500,000.00	1,549,740.00	2.344%	130,522.50	1,680,262.50	1,330
11/7/2016	CN	IBM 2.90% MAKE WHOLE CALL	1,000,000.00	1,052,600.00	1.792%	91,916.67	1,144,516.67	1,820
10/10/2017	CN	PROCTER & GAMBLE 1.7% NON-CALL	2,000,000.00	1,982,100.00	1.930%	156,072.22	2,138,172.22	1,485
12/4/2017	CN	COLGATE PALMOLIVE 2.450% MAKE WHOLE	2,250,000.00	2,271,141.00	2.200%	196,449.62	2,467,590.62	1,442
12/20/2017	CN	MIRCOSOF 2.4% MAKE WHOLE	1,250,000.00	1,254,025.00	2.316%	119,808.33	1,373,833.33	1,509
3/6/2017	CN	EXXON MOBIL 2.397% MAKE WHOLE	2,000,000.00	2,003,380.00	2.360%	236,320.00	2,239,700.00	1,826
5/23/2017	CN	APPLE INC 2.3% MAKE WHOLE	3,300,000.00	3,318,150.00	2.181%	358,820.00	3,676,970.00	1,814
12/6/2017	CN	BERKSHIRE HATHAWAY 3.0% MAKE WHOLE CALL	1,503,000.00	1,540,770.39	2.400%	162,504.36	1,703,274.75	1,621
1/8/2018	CN	BERKSHIRE HATHAWAY 3.0% MAKE WHOLE CALL	1,000,000.00	1,023,300.00	2.432%	107,283.33	1,130,583.33	1,588
8/24/2017	CN	TOYOTA 2.8% MAKE WHOLE	1,500,000.00	1,547,160.00	2.119%	158,056.67	1,705,216.67	1,784
11/6/2017	CN	PROCTER & GAMBLE 2.15% MAKEWHOLE	1,800,000.00	1,799,161.20	2.160%	185,201.30	1,984,362.50	1,739
1/18/2018	CN	NOVARTIS CAPITAL CORP 2.4% MAKEWHOLD	1,500,000.00	1,489,500.00	2.560%	178,400.00	1,667,900.00	1,707
1/4/2018	CN	COLGATE-PALMOLIVE 2.25% MAKEWHOLE	2,000,000.00	1,982,400.00	2.443%	236,475.00	2,218,875.00	1,776
12/6/2017	CN	TOYOTA 2.125% NON-CALL FLOATING	2,250,000.00	2,250,000.00	2.125%	238,132.81	2,488,132.81	1,819
1/24/2018	CN	TOYOTA 2.75% NON-CALL FLOATING	3,000,000.00	3,000,000.00	2.750%	412,500.00	3,412,500.00	1,828
3/20/2018	CN	BERKSHIRE HATHAWAY 2.75% MAKEWHOLE	1,000,000.00	983,890.00	3.101%	153,228.06	1,137,118.06	1,821
4/18/2018	CN	BERKSHIRE HATHAWAY 2.75% MAKEWHOLE	1,750,000.00	1,719,130.00	3.140%	267,083.54	1,986,213.54	1,792
4/25/2018	CN	BERKSHIRE HATHAWAY 2.75% MAKEWHOLE	2,000,000.00	1,953,300.00	3.270%	315,588.89	2,268,888.89	1,785
5/7/2018	CN	WALMART 2.55% CALL 1/11/23	1,000,000.00	974,100.00	3.121%	151,558.33	1,125,658.33	1,800
5/2/2018	CN	COLGATE-PALMOLIVE 2.10% MAKE WHOLE	4,666,000.00	4,443,179.84	3.140%	712,477.98	5,155,657.82	1,825

# INVESTMENT REPORT AS OF JUNE 30, 2018

INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
5/9/2018	CN	APPLE INC 2.4% MAKE WHOLE	4,000,000.00	3,862,600.00	3.150%	615,800.00	4,478,400.00	1,820
		SUB-TOTAL	158,497,000.00	159,593,640.59	1.983%	13,321,610.94	172,915,251.53	1,503
8/25/2016	CD	BMO HARRIS BANK 1.10%	248,000.00	248,000.00	1.100%	5,456.00	253,456.00	729
1/20/2016	CD	KEY BANK NATL ASSN OHIO 1.55%	247,000.00	247,000.00	1.550%	11,528.04	258,528.04	1,098
7/15/2015	CD	CAPTIAL ONE 1.95% NON-CALL	249,000.00	249,000.00	1.950%	19,422.00	268,422.00	1,461
7/24/2014	CD	AMERICAN EXPRESS BANK 2.00%	247,000.00	247,000.00	2.000%	24,700.00	271,700.00	1,826
8/28/2014	CD	ENERBANK USA 2.05%	247,000.00	247,000.00	2.050%	25,317.50	272,317.50	1,826
8/29/2014	CD	SYNCHRONY BANK 2.1%	247,000.00	247,000.00	2.100%	25,935.00	272,935.00	1,826
8/30/2016	CD	WASHINGTON TRUST 1.2%	248,000.00	248,000.00	1.200%	8,928.00	256,928.00	1,095
9/16/2016	CD	ISRAEL DISCOUNT BK OF NY 1.3%	248,000.00	248,000.00	1.300%	9,689.91	257,689.91	1,095
9/24/2014	CD	DISCOVER 2.15%	247,000.00	247,000.00	2.150%	26,552.50	273,552.50	1,826
9/24/2014	CD	GOLDMAN SACHS BANK 2.15%	247,000.00	247,000.00	2.150%	26,552.50	273,552.50	1,826
10/8/2014	CD	CAPITAL ONE ABANK USA 2.10%	247,000.00	247,000.00	2.100%	25,935.00	272,935.00	1,826
10/10/2014	CD	GE CAPITAL BANK 2.0%	247,000.00	245,641.50	2.000%	26,058.50	271,700.00	1,826
10/29/2014	CD	PEOPLES UTD BANK CT 1.9%	247,000.00	247,000.00	1.900%	23,465.00	270,465.00	1,826
11/3/2014	CD	WEBSTER BANK NAT'L ASSOC 1.9%	247,000.00	247,000.00	1.900%	23,465.00	270,465.00	1,827
12/3/2014	CD	CIT BANK SALT LAKE CITY 2.2%	247,000.00	247,000.00	2.200%	27,170.00	274,170.00	1,826
12/4/2014	CD	AMERICAN EXPRESS CENTURION 2.2%	247,000.00	247,000.00	2.200%	27,170.00	274,170.00	1,826
12/10/2014	CD	BMW BANK OF N AMERICA 2.15%	247,000.00	247,000.00	2.150%	26,552.50	273,552.50	1,826
12/23/2014	CD	SALLIE MAE BANK SALT LAKE 2.2%	247,000.00	247,000.00	2.200%	26,976.46	273,976.46	1,813
12/21/2017	CD	MORGAN STANLEY BANK 2.1%	247,000.00	247,000.00	2.100%	10,402.82	257,402.82	732
1/23/2015	CD	PRIVATE BANK & TRUST 1.90%	247,000.00	247,000.00	1.900%	23,465.00	270,465.00	1,826
7/24/2015	CD	EAGLE BANK 1.80%	249,000.00	249,000.00	1.800%	20,169.00	269,169.00	1,645
1/27/2015	CD	NORTHFIELD BANK 1.65%	249,000.00	249,000.00	1.650%	20,542.50	269,542.50	1,826
1/26/2018	CD	FLAGSTAR BANK 2.15%	247,000.00	247,000.00	2.150%	10,635.75	257,635.75	731
1/30/2015	CD	BANK OF GEORGETOWN 1.65%	249,000.00	249,000.00	1.650%	20,542.50	269,542.50	1,826
2/6/2015	CD	MACHIAS SAVINGS BANK 1.65%	247,000.00	247,000.00	1.650%	20,377.50	267,377.50	1,826
3/3/2015	CD	THIRD FEDERAL SAVING & LOAN 1.75%	247,000.00	246,407.20	1.754%	22,146.09	268,553.29	1,821
3/25/2015	CD	WELLS FARGO BANK SIOUX FALLS 1.5%	247,000.00	247,000.00	1.500%	18,525.00	265,525.00	1,827
4/22/2015	CD	MARLIN BUSINESS BANK SALT LAKE 1.6%	247,000.00	247,000.00	1.600%	19,760.00	266,760.00	1,827
5/13/2015	CD	WORLD FOREMOST BANK SYDNEY 2.00%	200,000.00	200,000.00	2.000%	20,000.00	220,000.00	1,827
6/29/2015	CD	FIRST SOURCE BANK 1.85%	247,000.00	246,382.50	1.904%	23,465.00	269,847.50	1,827
7/31/2015	CD	INSTITUTION FOR SAVINGS 2.05%	249,000.00	249,000.00	2.050%	25,522.50	274,522.50	1,827
8/6/2015	CD	ORRSTOWN BANK 2.0%	249,000.00	249,000.00	2.000%	24,706.33	273,706.33	1,841
8/2/2017	CD	WEX BANK 1.85%	247,000.00	247,000.00	1.850%	13,721.19	260,721.19	1,097
8/11/2015	CD	INVESTOR BANK 2.0%	247,000.00	247,000.00	2.000%	24,700.00	271,700.00	1,841
9/10/2015	CD	MERRICK BANK 1.85%	249,000.00	248,377.50	1.910%	23,655.00	272,032.50	1,827
9/22/2015	CD	BARCLAYS BANK 2.2%	248,000.00	248,000.00	2.200%	27,190.31	275,190.31	1,821
10/19/2015	CD	COMENITY CAP BANK 2.0%	249,000.00	249,000.00	2.000%	24,818.14	273,818.14	1,821
12/14/2017	CD	ALLY BANK 2.10%	247,000.00	247,000.00	2.100%	15,561.00	262,561.00	1,096
1/15/2016	CD	INVESTORS CMNTY BANK 1.85%	249,000.00	249,000.00	1.850%	23,032.50	272,032.50	1,827
5/9/2018	CD	CONNECTONE BANK 2.85%	249,000.00	249,000.00	2.850%	21,309.21	270,309.21	1,097
6/10/2016	CD	UBS BANK USA SALT LAKE CITY 1.65%	249,000.00	249,000.00	1.650%	20,508.73	269,508.73	1,823
6/21/2018	CD	MERCANTIL BANK 3.0%	246,000.00	246,000.00	3.000%	22,140.00	268,140.00	1,096

# INVESTMENT REPORT AS OF JUNE 30, 2018

INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
6/22/2017	CD	LAKESIDE BANK 1.90%	249,000.00	249,000.00	1.900%	18,924.00	267,924.00	1,461
6/23/2016	CD	EAST BOSTON SAVING BANK 1.5%	248,000.00	248,000.00	1.500%	18,600.00	266,600.00	1,826
6/24/2016	CD	FIRST BUSINESS BK MADISON 1.5%	248,000.00	248,000.00	1.500%	18,600.00	266,600.00	1,826
6/30/2016	CD	FIRST TECHNOLOGY FEDERAL CR UNION 1.75%	248,000.00	248,000.00	1.750%	21,700.00	269,700.00	1,826
9/21/2017	CD	PINACLE BANK TN 2.00%	249,000.00	249,000.00	2.000%	19,920.00	268,920.00	1,461
1/12/2018	CD	LCA BANK CORPORATION 2.3%	246,000.00	246,000.00	2.300%	22,632.00	268,632.00	1,461
1/18/2017	CD	MB FINANCIAL BANK 2.050%	249,000.00	249,000.00	2.050%	25,522.50	274,522.50	1,826
1/20/2017	CD	FIRST NATL BANK O AMERICA 2.05%	249,000.00	249,000.00	2.050%	25,522.50	274,522.50	1,826
6/7/2017	CD	MECHANILE BANK OF MICHIGAN 2.10%	247,000.00	247,000.00	2.100%	25,935.00	272,935.00	1,826
7/31/2017	CD	KS STATE BANK 2.1%	245,000.00	245,000.00	2.100%	25,710.71	270,710.71	1,824
8/16/2017	CD	EVERBANK 2.2%	247,000.00	247,000.00	2.200%	27,170.00	274,170.00	1,826
8/30/2017	CD	WILLAMETTE VALLEY BANK 2.1%	249,000.00	249,000.00	2.100%	26,145.00	275,145.00	1,826
9/29/2017	CD	ALLEGIANE BANK TEXS 2.15%	249,000.00	249,000.00	2.150%	26,767.50	275,767.50	1,826
9/14/2017	CD	FIRST BANK OF HIGHLAND 2.15%	247,000.00	247,000.00	2.150%	26,552.50	273,552.50	1,826
10/18/2017	CD	BENEFICIAL BANK 2.15% NON-CALL	247,000.00	247,000.00	2.150%	26,552.50	273,552.50	1,826
12/22/2017	CD	INDUSTRIAL & COML BAK CHINA 2.5% NON-CALL	249,000.00	249,000.00	2.500%	31,125.00	280,125.00	1,826
1/29/2018	CD	SUNTRUST BANK 2.30% CALL 1/30/20 STEP	246,000.00	245,508.00	2.792%	34,547.50	280,055.50	1,827
4/24/2018	CD	CITIBANK 3.0% NON-CALL	246,000.00	246,000.00	3.000%	36,900.00	282,900.00	1,826
5/16/2018	CD	BELMONT SAVINGS BANK 3.05%	245,000.00	245,000.00	3.050%	37,362.50	282,362.50	1,826
6/20/2018	CD	RBC BANK 3.15% NON-CALL	249,000.00	249,000.00	3.150%	39,217.50	288,217.50	1,826
SUB-TOTAL			15,304,000.00	15,300,316.70	2.029%	1,423,176.69	16,723,493.39	1,664
O		WELLS FARGO BANK - General Fund	171,842.00	171,842.00	1.591%	7.49	171,849.49	1
O		CORPORATE CASH MANAGEMENT ACCOUNT	5,065,352.76	5,065,352.76	1.591%	220.79	5,065,573.55	1
O		LIBRARY ACCOUNT	-	-	0.000%	-	-	1
O		WELLS FARGO CUSTODY	2,250,114.13	2,250,114.13	0.750%	46.88	2,250,161.01	1
O		LAIF WATER DISTRICT	24,063,000.00	24,063,000.00	1.750%	1,169.73	24,064,169.73	1
O		LAIF PUBLIC IMPROVEMENT CORPORATION	20,225,000.00	20,225,000.00	1.750%	983.16	20,225,983.16	1
O		LAIF PUBLIC FINANCING CORPORATION	22,464,000.00	22,464,000.00	1.750%	1,092.00	22,465,092.00	1
O		LAIF CITY OF CARLSBAD	19,015,000.00	19,015,000.00	1.750%	924.34	19,015,924.34	1
SUB-TOTAL			93,254,308.89	93,254,308.89	1.717%	4,444.39	93,258,753.28	
GRAND TOTAL			761,973,308.89	762,762,832.64	1.799%	48,794,172.31	799,632,970.06	

**CITY OF CARLSBAD**  
**Fund Equity in Pooled Investments**  
**AS OF JUNE 30, 2018**

**Cash Balance by Fund:**

General		123,318,166
Special Revenue		32,811,616
Capital Projects:		
General Capital Construction	45,688,963	
Traffic Impact Fees	22,016,768	
Public Facilities Fees	25,632,925	
Park Development	8,380,383	
Transnet Taxes	6,525,876	
Drainage Fees	6,780,148	
Special Districts	101,169,320	
Infrastructure Replacement	108,292,143	
Gas Tax	14,139,660	
Other Capital Construction	3,388,100	342,014,284
	<b>Total</b>	
Enterprise:		
Carlsbad Municipal Water District	132,257,389	
Sewer Fund	47,896,500	
Solid Waste	6,994,717	
Storm Water	7,094,173	
Golf Course	1,112,056	
	<b>Total</b>	195,354,834
Internal Service		47,104,005
Agency Funds		20,609,768
Trust Funds		3,689,022
<b>Total General Ledger Balance **</b>		<b>764,901,696</b>
Reconciling Adjustments (1)		(3,401,951)
<b>Total Treasurer's Investment Portfolio at Amortized Cost</b>		<b>761,499,745</b>

(1) The Reconciling Adjustments consist of differences between the General Ledger which is prepared on an accrual basis and the Treasurer's report which is prepared on the cash basis. Accrued interest, amortized premium or discounts and outstanding checks and deposits in transit are not included in the Treasurer's summary. Differences between the time journal entries are posted and the time this report is produced may also be a component of the adjustment.

\*\* Figures based on best estimate at the time report run on 7/09/18

August 21, 2018

Item #1

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# CITY OF CARLSBAD INVESTMENT PORTFOLIO

## As of JUNE 30, 2018

### CORPORATE NOTE AND COMMERCIAL PAPER RATINGS

**Corporate Note Investments Meeting the Current Investment Policy:**  
 (Ratings must be AA or better by two of the three: Moody's S&P or Fitch)

	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>
ADP	Aa3	AA	NR
ALPHABET, INC	Aa2	AA+	NR
APPLE	Aa1	AA+	NR
BERKSHIRE HATHAWAY	Aa2	AA	AA-
CHEVRON	Aa2	AA-	NR
COCA COLA	Aa3	AA-	A+
COLGATE-PALMOLIVE	Aa3	AA-	AA-
EXXON MOBIL	Aaa	AA+	NR
JOHNSON & JOHNSON	Aaa	AAA	AAA
MASS MUTUAL GLOBAL	Aa2	AA+	AA+
MICROSOFT	Aaa	AAA	AA+
NEW YORK LIFE	Aaa	AA+	AAA
NOVARTIS CAPITAL CORP	A1	AA-	AA
PROCTOER & GAMBLE	Aa3	AA-	NR
ROYAL BANK OF CANADA	Aaa	AAA	AAA
TOYOTA	Aa3	AA-	A
WAL-MART	Aa2	AA	AA
WELLS FARGO BANK	Aa2	A+	AA-

**Commercial Paper Investments Meeting the Current Investment Policy:**  
 (Ratings must be A1/P1 or better by two of the three: Moody's, S&P or Fitch)  
 (Ratings of other debt must be AA or better by two of the three: Moody's, S&P or Fitch)

NONE

#### Investments with Subsequent Changes in Credit Rating \*

	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>	<u>Latest Maturity Date</u>	<u>Carrying Value</u>	<u>Market Value</u>
IBM CORP	A1	A+	A+	11/01/2021	7,367,174	7,259,453
3M COMPANY	A1	AA-	NR	08/07/2020	3,523,913	3,438,540

\* The City's Investment Policy allows the City Treasurer to determine the course of action that would correct exceptions to the policy. All of these investments are paying interest at the required times. The principal of all investments are considered secure. It is the intent of the City Treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.

**CITY OF CARLSBAD INVESTMENT PORTFOLIO  
AS OF JUNE 30, 2018  
WEIGHTINGS FOR CORPORATE AND FEDERAL AGENCY ISSUERS**

**PERCENTAGE WEIGHTINGS BY CORPORATE NOTE ISSUER**

	<u>Investment Cost</u>	<u>Percent of Portfolio*</u>
ADP	4,029,600.00	0.52%
ALPHABET, INC	5,364,100.00	0.70%
APPLE INC	16,264,675.00	2.12%
BERKSHIRE HATHAWAY	7,220,390.39	0.94%
CHEVRON	14,307,799.00	1.86%
COCA COLA CO	8,623,092.17	1.12%
COLGATE-PALMOLIVE	8,696,720.84	1.13%
EXXON MOBIL	11,397,155.00	1.48%
IBM CORP	7,730,433.50	1.01%
JOHNSON & JOHNSON	7,443,878.49	0.97%
MASS MUTUAL	6,842,020.00	0.89%
MICROSOFT	19,234,617.50	2.51%
3M COMPANY	3,554,215.00	0.46%
NEW YORK LIFE	6,032,140.00	0.79%
NOVARTIS CAPTIAL CORP	1,489,500.00	0.19%
PROCTER & GAMBLE	3,781,261.20	0.49%
ROYAL BANK OF CANADA	2,289,442.50	0.30%
TOYOTA	16,853,000.00	2.20%
WALMART	974,100.00	0.13%
WELLS FARGO BANK	7,465,500.00	0.97%

**PERCENTAGE WEIGHTINGS BY FEDERAL AGENCY ISSUER**

	<u>Investment Cost</u>	<u>Percent of Portfolio**</u>
FAMCA	15,240,655.00	1.99%
FICO	8,733,759.39	1.14%
FEDERAL FARM CREDIT BANK	77,202,900.93	10.06%
FEDERAL HOME LOAN BANK	75,719,161.04	9.86%
FEDERAL HOME LOAN MORTGAGE CORP	94,923,578.98	12.36%
FEDERAL NATIONAL MORTGAGE ASSOC	84,756,731.14	11.04%
PEFCO	9,504,757.83	1.24%
RFCO STRIP PRINCIPAL	2,750,760.00	0.36%
TENNESSEE VALLEY AUTHORITY	7,496,747.50	0.98%
SUPRANATIONAL - IBRD	11,924,034.89	1.55%
U.S.TREASURY	106,361,479.76	13.85%
<b>Total Portfolio</b>		<b>\$767,762,832.64</b>

\* No more than 5% may be invested with a single corporate issuer.

\*\*There are no percentage limits on federal agency issuers.

**City of Carlsbad**  
**Bond Proceeds Investment Report**  
**June 30, 2018**

August 21, 2018

<b>Fund Type</b>	<b>Investments</b>	<b>Stated Int. Rate</b>	<b>Maturity Date</b>	<b>Par Value</b>	<b>Cost</b>	<b>Source</b>
<b>Assessment District 03-01 (College/Cannon)</b>						
Project Fund	Invesco Gov. & Agency - Institutional Money Market	N/A	N/A	\$ 947,004	\$ 947,004	BNY Mellon Invesco
<b>Assessment District 95-01 (Carlsbad Ranch)</b>						
Reserve Fund	Repub Natl Bank Repo Agreement: HSBC (GIC)	5.83%	N/A	\$ 1,182,642	\$ 1,182,642	BNY Mellon HSBC Bank of New York
<b>Assessment District 96-01 (Rancho Carrillo)</b>						
Reserve Fund	Repub Natl Bank Repo Agreement: HSBC (GIC)	6.03%	09/02/28	\$ 1,292,796	\$ 1,292,796	BNY Mellon HSBC Bank of New York
<b>ReAssessment District 2012-1 (College/Cannon &amp; Poinsettia Lane)</b>						
Reserve Fund	Invesco Gov. & Agency - Institutional Money Market	various	N/A	\$ 2,205,196	\$ 2,205,196	BNY Mellon
Other	Invesco Gov. & Agency - Institutional Money Market	various	N/A	\$ 58	\$ 58	BNY Mellon
<b>Communities Facilities District #3 Improvement Area 1, 2016 Bonds</b>						
Reserve Fund	Invesco Gov. & Agency - Institutional Money Market	various	09/01/36	\$ 553,165	\$ 553,165	BNY Mellon
Cost of Issuance	Invesco Gov. & Agency - Institutional Money Market	various	09/01/36	\$ 1,887	\$ 1,887	BNY Mellon
<b>Communities Facilities District #3 Improvement Area 2, 2016 Bonds</b>						
Reserve Fund	Invesco Gov. & Agency - Institutional Money Market	various	09/01/38	\$ 818,656	\$ 818,656	BNY Mellon
Cost of Issuance	Invesco Gov. & Agency - Institutional Money Market	various	09/01/38	\$ 2,793	\$ 2,793	BNY Mellon
				<b>\$ 7,004,197</b>	<b>\$ 7,004,197</b>	

Item #1

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City of Carlsbad  
Summary of Outstanding Housing Loans  
As of June 30, 2018

August 21, 2018

Borrower	Development	Purpose	First date issued	# of loans issued	Loans issued by City to developers/homeowners	Loans issued by Developer to homeowners	City loan repaid to City	Developer loan repaid to City	Loan amount due to City (recorded as AR)	Developer loan amount due to City (not on City's books)	Type of Loan
Individual homebuyers	City-wide (CHAP)	Sale	06/28/99	133	\$1,680,000	\$	4	(\$1,680,000)	\$	(\$0.08)	Payment deferred 15 years. No interest is due unless home is sold before 16th year
Individual homebuyers	Calavera Hills	Sale	10/15/99	5	75,000	150,000	1	(60,000)	15,000	30,000	Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Cherry Tree Walk	Sale	06/28/99	42	453,600	452,600	12	(324,000)	129,600	169,350	Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Serrano	Sale	05/25/01	90	1,350,000	4,050,000	23	(1,020,135)	329,865	1,305,000	Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Rancho Carlsbad	Sale	05/20/99	22	752,533	-	5	(616,633)	135,900	-	Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Solimar	Sale	09/26/88	9	147,726	-	1	(135,065)	12,661	-	Payment deferred 30 years. No interest is due unless home is sold before 31th year
Catholic Charities	Homeless shelter	Shelter	09/19/97	1	200,000	-	1	-	200,000	-	Principal is due when home is sold
CB Laurel Tree Apartments	Laurel Tree	Rentals	12/24/98	2	1,134,000	-	2	(1,134,000)	(0)	-	Principal is due when property is sold
USA Properties c/o CFHP	Rancho Carrillo	Rentals	03/05/01	1	1,157,584	-	1	(1,157,584)	(0)	-	Principal and 3% interest each year for 55 years when surplus cash is available
Pacific Vista Las Flores	Vista Las Flores	Rentals	02/27/01	1	363,948	-	1	-	363,948	-	Principal and 3% interest each year for 55 years when surplus cash is available
Poinsettia Housing Assoc	Poinsettia Station	Rentals	10/21/99	1	920,000	-	1	(690,529)	229,471	-	Principal and 3% interest each year for 55 years when surplus cash is available
Bridge Housing Corp	Villa Loma	Rentals	11/04/94	2	2,212,000	-	0	(2,212,000)	-	-	Principal and 3% interest each year for 15 years when surplus cash is available
Dove Family Housing	La Costa Paloma	Rentals	07/15/03	1	2,070,000	-	1	(2,070,000)	(0)	-	Principal and 3% interest each year for 55 years when surplus cash is available
CIC Calavera LP	Mariposa Apis	Rentals	09/15/04	1	1,060,000	-	1	-	1,060,000	-	Principal and 3% interest each year for 55 years when surplus cash is available
Individual homebuyers	Bressi Ranch	Sale	04/29/05	100	1,840,000	19,660,200	100	-	1,840,000	19,660,200	Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Village by the Sea	Sale	10/28/05	11	220,000	4,087,200	11	-	220,000	4,087,200	Payment deferred 30 years. No interest is due unless home is sold before 31th year
El Camino Family Housing	Cassia Heights	Rentals	03/07/06	1	1,454,276	-	1	(1,454,276)	-	-	Principal and 3% interest each year for 55 years when surplus cash is available
Individual homebuyers	Laguna Point	Sale	07/06/06	3	210,000	-	2	(70,000)	140,000	-	Payment deferred 45 years. No interest is due unless home is sold before 46th year
Individual homebuyers	The Bluffs	Sale	06/14/07	10	200,000	-	10	-	200,000	-	Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Roosevelt Gardens	Sale	08/30/07	11	1,583,423	-	11	-	1,583,423	-	Refer to Agenda Bill 18,569 / Resolution 2006-131 & AB 19,163 / R2007-255
CIC La Costa	Hunter's Point	Rentals	08/19/08	1	1,932,000	-	1	-	1,932,000	-	Refer to Agenda Bill 18,569 / Resolution 2006-131 & AB 19,163 / R2007-255
Down Payment & Closing Cost Assistance	Various	Assistance	06/25/09	22	255,518	-	21	(12,500)	243,018	-	Refer to Agenda Bill 19,415 / Resolution 2008-121
CIC Glen Ridge, LP	Glen Ridge	Rentals	10/05/09	1	1,014,000	-	1	-	1,014,000	-	Refer to Agenda Bill 397 / Resolution 435
Tavarua Senior Apartments, LP	Tavarua	Rentals	12/14/11	1	-	-	1	-	-	-	Refer to Agenda Bill 418 / Resolution 475
North County Solutions for Change	Property Acquisition	Rentals	06/28/12	1	780,000	-	1	-	780,000	-	Refer to Agenda Bill 20,936/Resolution 2012-136
Catholic Charities	Homeless shelter	Shelter Minor	03/01/10	3	507,585	-	3	-	507,585	-	Refer to AB19,768/R2009-068;
Individual homeowners	N/A	Home Property	05/20/10	12	30,677	-	6	(4,083)	26,594	-	AB20,530/R2011-081; AB20,764/R2011-288
Hospice of North Coast	N/A	Acquisition	02/27/13	1	1,065,000	-	1	-	1,065,000	-	Refer to AB19,415 / Resolution 2008-121
Harding Street Neighbors, LP	Carol-Harding Duplex	Property Acquisition	03/14/13	1	7,408,000	-	1	-	7,408,000	-	Refer to AB21,116/Resolution 2013-027
Tracy Templeton	Laguna Point	Sale	04/17/13	1	108,150	-	1	-	108,150	-	Refer to AB21,028/Resolution 2012-235
Thomas & Judy Kim	Rose Bay	Sale	08/23/13	1	229,775	-	1	-	229,775	-	TBD
Solutions for Change	N/A	Property Acquisition	12/19/14	1	2,646,000	-	1	-	2,646,000	-	Payment deferred 30 years. No interest is due unless home is sold before 31th year
Chelsea Inv Corp/Quarry Creek CIC LLP	Quarry Creek	Rentals	08/31/16	1	1,280,000	-	1	-	1,280,000	-	Refer to AB21,763/Resolution 2014-243
Allowances				494	\$ 34,542,416	\$ (1,798,379)	229	\$ (12,640,806)	\$ 21,901,611	\$ 25,251,750	#####

April 2018: received a \$1,454,276 loan pay-off related to the Cassia Heights development; May 2018: received a \$121,798 payment related to the Poinsettia Station development; June 2018: received a \$2,000 Minor Home Repair pay-off.

EXHIBIT 12

Item #1

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CITY COUNCIL

# Staff Report

**Meeting Date:** August 21, 2018  
**To:** Mayor and City Council  
**From:** Scott Chadwick, City Manager  
**Staff Contact:** Tammy McMinn, Deputy City Clerk  
[Tammy.mcminn@carlsbadca.gov](mailto:Tammy.mcminn@carlsbadca.gov) or 760-434-2953  
**Subject:** Appointment of One Member to the Carlsbad Tourism Business Improvement District Board and One Member to the Carlsbad Golf Lodging Business Improvement District Board

## Recommended Action

Adopt resolutions appointing one member to the Carlsbad Tourism Business Improvement District Board (CTBID) and one member to the Carlsbad Golf Lodging Business Improvement District Board (CGLBID).

## Executive Summary

Board Member Gary Sims resigned his positions on the CTBID and CGLBID Boards in June 2018. The City Clerk's office has received an application from the following hotel manager/owner wishing to serve on the Boards (Exhibit 3):

- Brian Hughes, Omni La Costa Resort & Spa – requesting appointment to the CTBID and CGLBID Boards.

Resolution No. 2005-332 states that members of the CTBID shall represent the largest hotel businesses within the City and to be appointed without term limits. Omni La Costa Resort & Spa is one of the largest hotels in the City of Carlsbad.

## Discussion

Government Code Section §54970-54974, known as the Maddy Act, requires that on or before December 31 of each year the legislative body shall prepare a Local Appointments List which contains the appointive terms of Board and Commission members which will expire in the next calendar year. The name of the incumbent appointee and the date of appointment and the term expiration date is also included on the list. Based on the prepared list, the City Clerk's office accepts applications (available on the City's website and in the City Clerk's office) for any upcoming vacancies.

City of Carlsbad Resolution No. 2005-332 states that the CTBID be established and members shall be appointed by the City Council. City of Carlsbad Resolution No. 2012-221 states that the CGLBID be established and members shall be appointed by the City Council.

Other members of the Boards are:

<b><u>CTBID</u></b>	<b><u>CGLBID</u></b>
Bill Canepa, Hilton Garden Inn	Robert Rauch, Carlsbad-by-the-Sea
Frank Idris, Legoland	Ulrich Samietz, Park Hyatt Aviara
Robert Rauch, Carlsbad-by-the-Sea	Timothy Stripe, Grand Pacific Resorts
Ulrich Samietz, Park Hyatt Aviara	Tate Stull, The Crossings at Carlsbad
Timothy Stripe, Grand Pacific Resorts	

Members of the CTBID and CGLBID are subject to the provisions of the Political Reform Act, and must file a Statement of Economic Interests.

#### **Fiscal Analysis**

None.

#### **Next Steps**

Following the appointments to the CTBID and CGLBID Boards, the City Clerk's office will update the Committee roster and coordinate the Oath of Office and completion of the ethics training course.

#### **Environmental Evaluation (CEQA)**

Pursuant to Public Resources Code Section 21065, this action does not constitute a "project" within the meaning of CEQA in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review.

#### **Public Notification**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

#### **Exhibits**

1. Resolution appointing one member to the CTBID Board.
2. Resolution appointing one member to the CGLBID Board.
3. Application received from individual wishing to serve on the CTBID and CGLBID Boards.

## Page 3 of 8

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD,  
CALIFORNIA, APPOINTING ONE MEMBER TO THE CARLSBAD GOLF LODGING  
BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD

WHEREAS, there is a vacancy on the Carlsbad Golf Lodging Business Improvement District (CGLBID) Advisory Board; and

WHEREAS, the CGLBID Board has an unanticipated vacancy for a term ending in June 2021 due to the resignation of Gary Sims representing the Omni La Costa Resort & Spa.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the City Council of the City of Carlsbad hereby appoints the following member to serve on the CGLBID Board, for a term ending in June 2021.

\_\_\_\_\_  
Brian Hughes

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_\_\_ day of \_\_\_\_\_, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
MATT HALL, Mayor

\_\_\_\_\_  
BARBARA ENGLESON, City Clerk

(SEAL)

RECEIVED

AUG - 1 2018

CITY OF CARLSBAD  
CITY CLERK'S OFFICEAPPLICATION FOR APPOINTMENT FOR  
BOARDS, COMMISSIONS, AND COMMITTEES

- ☐ Arts Commission
 ☐ Beach Preservation Committee
 ☐ Historic Preservation Commission
- ☐ Housing Commission
 ☐ Library Board of Trustees
 ☐ Parks and Recreation Commission
- ☐ Planning Commission
 ☐ Senior Commission
 ☐ Traffic Safety Commission
- ☐ Other:

Name: Home Address: City:  Zip Code: Home Phone:  Cell Phone:  Work Phone: E-mail Address: Present Occupation: Employer: Employer Address: 

Citizen Academy Graduate? ☐ Yes ☒ No

Resident of Carlsbad? ☐ Yes ☒ No

Registered Voter in Carlsbad? ☐ Yes ☒ No

I am familiar with the responsibilities assigned to the Board(s), Commission(s), or Committee(s) on which I wish to serve.

I am willing to be interviewed regarding my qualifications for appointment by the City Council or at the request of an individual Council Member.

I am willing to file financial disclosure statements if required.

I am willing to complete two hours of State Mandated ethics training every two years.

Please select the submit button below to electronically submit application. If you prefer to print please select "print form" button and sign document and mail to: City of Carlsbad, City Clerk's Office, 1200 Carlsbad Village Drive, Carlsbad, CA 92008.

Signature:

(Only required to sign if submitting paper form, if submitting electronically your submittal via e-mail is considered acknowledgement).

PRINT FORM

CLEAR FORM

SUBMIT FORM

Education:

Bachelor of Science, Hotel Administration,  
Cornell University  
Ithaca, NY

Experience:

See separate resume

Community  
Activities:

**San Diego Tourism Authority**

- Member, Executive Committee Board of Directors 2008 -- 2014
- Chairman of the Board 2010 -- 2011
- Chairman, Membership Committee 2012 -- 2014

**San Diego Hotel/Motel Association**

- Member, Board of Directors 2009 -- 2011
- Advisory Member 2016 -- 2018

Additional  
Information  
or  
Comments:

I hope to have the opportunity to serve the City of Carlsbad and it's tourism industry to thrive and provide benefit to all its citizens.

Thank you for your consideration.

## BRIAN HUGHES

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### EDUCATION

Cornell University--Ithaca, New York  
Bachelor of Science – Hotel Administration

1990

### PROFESSIONAL EXPERIENCE

#### Omni Hotels & Resorts

July 2018-Present

Omni La Costa Resort & Spa (602 rooms)  
Carlsbad, CA  
▪ Managing Director

#### San Diego Tourism Marketing District

March 2016-July 2018

▪ Executive Director

#### Omni Hotels & Resorts

May 2008-March 2016

Omni Rancho Las Palmas Resort & Spa(444 rooms)  
Rancho Mirage, CA (9/14-3/16)  
▪ General Manager  
Omni San Diego Hotel (511 rooms)  
San Diego, CA (5/08-9/14)  
▪ General Manager

#### Destination Hotels & Resorts

January 2002-May 2008

Sunriver Resort (250 traditional keys, 350 private homes/condos in rental pool, 9 F&B outlets, 40,000 sq ft function space, 63 holes of golf (including Private Club), Spa, Fitness/Tennis with local membership.

Sunriver, Oregon (1/06-5/08)  
▪ General Manager  
The Argent Hotel (667 rooms)  
San Francisco, California (1/02-1/06)  
▪ General Manager  
▪ Director of Operations

#### Starwood Hotels & Resorts

May 1997-January 2002

Westin St. Francis Hotel (1194 rooms)  
San Francisco, California  
▪ Director of Rooms  
▪ Director of Guest Services  
▪ Director of Revenue Management  
▪ Assistant Director of Guest Services  
▪ Revenue Manager

#### Four Seasons Hotels & Resorts

September 1990-May 1997

Four Seasons Hotel (380 rooms)  
Toronto, Ontario (1/92-5/97)  
▪ Front Office Manager  
▪ Assistant Front Office Manager  
▪ Restaurant Manager  
▪ Assistant Restaurant Manager  
Four Seasons Olympic Hotel (450 rooms)  
Seattle, Washington (9/90-1/92)  
▪ Assistant Chief Steward  
▪ Assistant Restaurant Manager

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## BRIAN HUGHES

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### COMMUNITY & RECOGNITION

#### San Diego Tourism Authority

- Member, Executive Committee Board of Directors 2008 -- 2014
- Chairman of the Board 2010 -- 2011
- Chairman, Membership Committee 2012 -- 2014

#### San Diego Hotel/Motel Association

- Member, Board of Directors 2009 -- 2011
- Advisory Member 2016 -- present
- **San Diego Hotelperson of the Year** 2012  
(citywide Gold Key Awards)

#### Omni Hotels & Resorts

- **Dick Mason Memorial Award** (presented to one GM 2014  
in the company that demonstrates superior talent mentoring  
& development)
- **People's Choice Award** (presented to one GM in the 2009  
company that demonstrates superior mentoring, retention  
and associate satisfaction)

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#### Sunriver, OR

- Sunriver Music Festival, Board of Directors 2006 -- 2008
- Deschutes County United Way, Sunriver Resort Liaison 2006 -- 2007

#### San Francisco, CA

- San Francisco Hotel Council Board of Directors 2004 -- 2006
- Project Homeless Connect, Volunteer 2005

#### Toronto, ON

- Cornell Hotel Society, Toronto Chapter, President 1995 -- 1996



## CITY COUNCIL

## Staff Report

**Meeting Date:** 8/21/18  
**To:** Mayor and City Council  
**From:** Scott Chadwick, City Manager  
**Staff Contact:** Cindy Anderson, Senior Management Analyst  
[cindy.anderson@carlsbadca.gov](mailto:cindy.anderson@carlsbadca.gov) or 760-931-2170  
**Subject:** Memorandum of understanding between the City of Carlsbad and Carlsbad Unified School District for the School Resource Officer Program for the 2018-19 school year

**Recommended Action**

Adopt a Resolution approving a memorandum of understanding between the City of Carlsbad and Carlsbad Unified School District (CUSD) for the School Resource Officer Program for the 2018-19 school year.

**Executive Summary**

The City of Carlsbad and CUSD have an ongoing partnership to ensure the safety of students and staff on CUSD school campuses. For the 2018-19 school year, the police department will provide CUSD with two school resource officers (SRO) during the school year. One SRO will be assigned to Carlsbad High School for twelve months, and one SRO will be assigned to Sage Creek High School for ten months. Per the agreement, CUSD will pay for one-half the cost of two full-time police officers during the months the SROs are assigned to the schools. CUSD's share is \$144,397 which will be used to reimburse the General Fund. The MOU is effective from August 29, 2018 to August 29, 2019. Pursuant to Chapter 3.28 of the Carlsbad Municipal Code the City Council shall be the awarding authority for procurement of services and professional service for which the cost to the city is more than \$100,000 per agreement year.

**Discussion**

The City of Carlsbad and CUSD have an ongoing partnership to ensure the safety of students and staff on CUSD school campuses. Campus security is enhanced by the presence of police officers who will interact with the students in a positive and proactive manner. Toward that end, the police department provided CUSD with one SRO every school year since at least 1995. The police department also has two additional "floater" SRO officers who provide services at other campuses throughout the city but are not specifically assigned to any schools.

SRO duties include: responding to all law enforcement related matters as they occur during regular school hours while the officer is on or near the above mentioned facilities, documenting all incidents and crimes and providing follow-up investigations as needed, attending sporting events and school activities, and attending parent conference and meetings as needed. SROs will also conduct criminal investigations as assigned by the supervisor of the Family Services Unit in ongoing criminal investigations that are related to the school campus, work with school

staff in the matters of mutual concerns on and off campus, and provide liaison in the following areas: School Attendance Review Board, point of contact for CPS visits, truancy sweeps, home visitations, district-wide critical response plan training, school safety plans, and training of school campus supervisors and noon duty personnel.

For the 2018-19 school year, the police department will now provide CUSD with two school resource officers (SRO) during the year, to include the summer program months at Carlsbad High School. One SRO will be assigned to Carlsbad High School for twelve months, and one SRO will be assigned to Sage Creek High School for ten months. CUSD will pay for one-half the cost of one full-time police officer for twelve months at Carlsbad High School and one-half the cost of one full-time police officer for ten months at Sage Creek High School. The annual cost for one officer is \$157,523, which includes salaries and benefits, and does not include equipment and maintenance. Carlsbad Unified School District's share for 2018-19 is \$144,397. The MOU is effective for the 2018-19 school year, beginning on August 29, 2018 and ending on August 29, 2019. CUSD will pay to the Finance Director of the City of Carlsbad through a reimbursement check at the end of the school year.

#### **Fiscal Analysis**

The police department budget includes \$625,709 for the cost of the entire SRO Program. CUSD's cost-sharing payment of \$144,397 will be used to reimburse the General Fund and reduce the impact of the SRO Program to the city.

#### **Next Steps**

The police department will provide two SRO officers and CUSD will be billed for \$144,397 for the 2018-19 school year.

#### **Environmental Evaluation (CEQA)**

Pursuant to Public Resources Code section 21065, this action does not constitute a "project" within the meaning of CEQA in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore, does not require environmental review.

#### **Public Notification**

The item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing at least 72 hours prior to the scheduled meeting date.

#### **Exhibits**

1. City Council Resolution
2. Redline Strikeout of MOU

**RESOLUTION NO.**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CARLSBAD AND CARLSBAD UNIFIED SCHOOL DISTRICT FOR THE FISCAL YEAR 2018-19 SCHOOL RESOURCE OFFICER PROGRAM

WHEREAS, the City of Carlsbad Police Department and the Carlsbad Unified School District (CUSD) have an ongoing partnership to ensure the safety of students and staff on CUSD school campuses; and

WHEREAS, toward that end, the Police Department has provided the Carlsbad Unified School District with a school resource officer every school year since at least 1995; and

WHEREAS, for the 2018-19 school year, one SRO will be assigned to Carlsbad High School for twelve months, and one SRO will be assigned to Sage Creek High School for ten months; and

WHEREAS, CUSD agrees to pay for one-half the cost of two full-time police officers during the months they are assigned to the schools.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California as follows:

1. That the above recitations are true and correct.
2. That the Mayor of the City of Carlsbad is hereby authorized and directed to execute the Memorandum of Understanding for the School Resource Officer Program between the City of Carlsbad and the Carlsbad Unified School District for the 2018-19 school year attached hereto as Attachment A.
3. Carlsbad Unified School District's cost-sharing payment of \$144,397 will be used to reimburse the General Fund and reduce the impact of the SRO Program to the city.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_ day of \_\_\_\_\_, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
MATT HALL, Mayor

\_\_\_\_\_  
BARBARA ENGLESON, City Clerk

(SEAL)

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
CARLSBAD UNIFIED SCHOOL DISTRICT  
AND  
CITY OF CARLSBAD**

The City of Carlsbad Police Department and the Carlsbad Unified School District desire to provide a safe and secure, teaching and learning environment for all students and staff within the City of Carlsbad by protecting life and property.

Ensuring the safety of students and staff on school campuses in Carlsbad is a priority to the school administration and the police department. Campus security will be enhanced by the presence of police officers that will interact with the students in both a positive and proactive manner. Police officers on campus will help improve relations between the police department and the youth of the community. Therefore, the Carlsbad Unified School District and the City of Carlsbad have the following expectations and agree to undertake the listed responsibilities to achieve these mutual objectives:

**A. SCHOOL DISTRICT'S ROLE AND RESPONSIBILITY**

1. To ensure student welfare portal to portal;
2. To develop procedures to handle campus safety issues;
3. To establish and follow procedures for referring police involvement; and
4. To cooperate with and support in a proactive manner the City of Carlsbad Police Department to ensure the success of programs involving students, school personnel, parents and the community.

**B. SCHOOL RESOURCE OFFICER'S ROLE AND RESPONSIBILITY**

1. To provide enforcement/prevention/intervention by:
  - Providing a uniformed police officer presence at Carlsbad High School, Sage Creek High School, the middle and elementary schools, Carlsbad Village Academy, and district offices located in the City of Carlsbad;
  - Responding to all law enforcement related matters as they occur during regular school hours while the officer is on or near the above facilities and able to do so;
  - Documenting all incidents of crime that occur at the above facilities as per department regulations, performing the necessary follow-up investigations as

needed to identify perpetrators of crime, and performing any follow-up on cases as deemed necessary;

- Attending various sporting events and school activities as needed for proactive enforcement and interaction;
  - Attending parent conferences/meetings as needed.
2. To conduct criminal investigations as assigned by the supervisor of the Family Services Unit and to assist other law enforcement officers who are engaged in ongoing criminal investigations that bring them onto the school campus.
  3. To work with school staff in the matters of mutual concern such as: alcohol and drug use on campus; safety of students and staff on and off campus; gang-related violence and crime; campus intrusion; and loss and/or damage to property.
  4. To provide liaison in the following areas: School Attendance Review Board; point of contact for CPS visits; truancy sweeps; home visitations; district-wide critical response plan training; school safety plans; and training of school campus supervisors and noon duty personnel.

#### **C. TERM OF AGREEMENT**

This Memorandum of Understanding will remain in effect for the 2018-2019 public school fiscal year. Either party will have the right to cancel this Memorandum of Understanding upon 90 days advance written notice during the term of this agreement.

#### **D. SPAN OF CONTROL/JURISDICTION**

**One full-time police officer** will be assigned to provide the School Resource Program at Carlsbad High School, Carlsbad Village Academy, and district offices located in the City of Carlsbad.

**One full-time police officer** will be assigned to provide the School Resource Program at Sage Creek High School and district offices located in the City of Carlsbad.

Enforcement/prevention/education/training/proactive activities will take place at these facilities and at public meeting places within the community as they relate to the activities at these facilities.

The officer will remain under the direction and control of the City of Carlsbad Police Department. Requests for work assignments from these facilities will be given to the

Family Services sergeant of the Carlsbad Police Department, who will thereafter assess the request and direct the school resource officer to respond appropriately.

**E. RESOURCE**

Resource and local management will be coordinated at:

Carlsbad Unified School District, 6225 El Camino Real, Carlsbad, California, 92009, (760) 331-5000.

City of Carlsbad Police Department, 2560 Orion Way, Carlsbad, California, 92010, (760) 931-2100.

**F. COST**

Cost sharing will be based upon the services of **one-half of one full-time police officer** for twelve months of the school year for Carlsbad High School, and **one-half of one full-time police officer** for ten months of the school year for Sage Creek High School. The portion funded by the District will be prorated based upon the school year at a rate of one half of the total salary of two full-time sworn police officers for a total cost of \$144,397. See Exhibit A for details.

This Memorandum of Understanding will be effective August 29, 2018 and the Carlsbad Unified School District will pay annually to the Finance Director of the City of Carlsbad the agreed amount as outlined above. If the agreement is canceled as herein permitted, the city shall return to the district the portion of such payment allocable to the period of the term subsequent to the effective date of cancellation.

**G. SICK/INJURY/EMERGENCY ABSENCES**

The City of Carlsbad Police Department will provide general law enforcement services to Carlsbad High School, the middle and elementary schools, Carlsbad Village Academy, and the district offices via the patrol division whenever the regularly assigned school resource officer is temporarily unable to provide said services due to illness, injury or emergency leave, or when called away to perform other duties that preclude the officer's presence at the school. In the event of such occurrence, calls for service will be handled based on need in relation to other demands for police services.

**H. CITY EMPLOYEES**

City employees who perform duties under this agreement are not, for any purposes whatsoever, employees of the School District.

**I. NO RIGHTS IN THIRD PARTIES**

This Memorandum is not intended to benefit any third parties, create rights in favor of any third parties, or create a special relationship between any City of Carlsbad employee and any other person.

**J. LIABILITY AND INDEMNIFICATION**

Pursuant to Section 895.4 of the Government Code, the City of Carlsbad and Carlsbad Unified School District agree that each will assume the full liability imposed upon it for any of its officers, agents, or employees for injury caused by a negligent or wrongful act or omission occurring in the performance of this agreement, and each party agrees to indemnify and hold harmless the other party for any loss, cost, or expense that may be imposed upon such other party by the virtue of Sections 895.2 and 895.6 of the Government Code.

Carlsbad Unified School District

City of Carlsbad

By: \_\_\_\_\_

By: \_\_\_\_\_

Matt Hall, Mayor

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Barbara Engleson, City Clerk

Approved as to form:

Celia A. Brewer

City Attorney

By: \_\_\_\_\_

Assistant City Attorney

**EXHIBIT A**

*Carlsbad Police Department*

**SCHOOL RESOURCE OFFICER PROGRAM**

*2018-2019 Cost-Sharing Breakdown*

Costs are for one mid-step police officer (Step C) for one year and include only personnel costs; equipment and maintenance costs are not included.

<b>ANNUAL POLICE OFFICER PERSONNEL EXPENSES</b>	<b>COST PER OFFICER</b>
Salary	84,578
Overtime (@7.5% of Salary)	6,343
Holiday Pay (132 hours)	5,367
Disability & Unemployment (0.565%)	501
Retirement (41.953%)	39,686
Life Insurance (0.072%)	61
Medicare (1.45%)	1,362
Health Care	18,925
Uniform Allowance	700
<b>TOTAL PERSONNEL COSTS</b>	<b>\$157,523</b>

<b>SRO COST ALLOCATION</b>	<b>CARLSBAD HIGH</b>	<b>SAGE CREEK HIGH</b>	<b>TOTAL</b>
Annual Personnel Costs	157,523	157,523	315,046
Monthly Personnel Cost	13,127	13,127	26,254
School Year Cost	157,523	131,270	288,793
<b>HALF SHARE COST TO SCHOOL</b>	<b>78,762</b>	<b>65,635</b>	<b>144,397</b>

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
CARLSBAD UNIFIED SCHOOL DISTRICT  
AND  
CITY OF CARLSBAD**

The City of Carlsbad Police Department and the Carlsbad Unified School District desire to provide a safe and secure, teaching and learning environment for all students and staff within the City of Carlsbad by protecting life and property.

Ensuring the safety of students and staff on school campuses in Carlsbad is a priority to the school administration and the police department. Campus security will be enhanced by the presence of police officers that will interact with the students in both a positive and proactive manner. Police officers on campus will help improve relations between the police department and the youth of the community. Therefore, the Carlsbad Unified School District and the City of Carlsbad have the following expectations and agree to undertake the listed responsibilities to achieve these mutual objectives:

**A. SCHOOL DISTRICT'S ROLE AND RESPONSIBILITY**

1. To ensure student welfare portal to portal;
2. To develop procedures to handle campus safety issues;
3. To establish and follow procedures for referring police involvement; and
4. To cooperate with and support in a proactive manner the City of Carlsbad Police Department to ensure the success of programs involving students, school personnel, parents and the community.

**B. SCHOOL RESOURCE OFFICER'S ROLE AND RESPONSIBILITY**

1. To provide enforcement/prevention/intervention by:
  - Providing a uniformed police officer presence at Carlsbad High School, Sage Creek High School, the middle and elementary schools, Carlsbad Village Academy, and district offices located in the City of Carlsbad;
  - Responding to all law enforcement related matters as they occur during regular school hours while the officer is on or near the above facilities and able to do so;
  - Documenting all incidents of crime that occur at the above facilities as per department regulations, performing the necessary follow-up investigations as

needed to identify perpetrators of crime, and performing any follow-up on cases as deemed necessary;

- Attending various sporting events and school activities as needed for proactive enforcement and interaction;
  - Attending parent conferences/meetings as needed.
2. To conduct criminal investigations as assigned by the supervisor of the Family Services Unit and to assist other law enforcement officers who are engaged in ongoing criminal investigations that bring them onto the school campus.
  3. To work with school staff in the matters of mutual concern such as: alcohol and drug use on campus; safety of students and staff on and off campus; gang-related violence and crime; campus intrusion; and loss and/or damage to property.
  4. To provide liaison in the following areas: School Attendance Review Board; point of contact for CPS visits; truancy sweeps; home visitations; district-wide critical response plan training; school safety plans; and training of school campus supervisors and noon duty personnel.

#### C. TERM OF AGREEMENT

This Memorandum of Understanding will remain in effect for the 2018-2019 public school fiscal year. Either party will have the right to cancel this Memorandum of Understanding upon 90 days advance written notice during the term of this agreement.

#### D. SPAN OF CONTROL/JURISDICTION

**One full-time police officer** will be assigned to provide the School Resource Program at Carlsbad High School, Carlsbad Village Academy, and district offices located in the City of Carlsbad.

**One full-time police officer will be assigned to provide the School Resource Program at Sage Creek High School and district offices located in the City of Carlsbad.**

Enforcement/prevention/education/training/proactive activities will take place at these facilities and at public meeting places within the community as they relate to the activities at these facilities.

The officer will remain under the direction and control of the City of Carlsbad Police Department. Requests for work assignments from these facilities will be given to the

Family Services sergeant of the Carlsbad Police Department, who will thereafter assess the request and direct the school resource officer to respond appropriately.

**E. RESOURCE**

Resource and local management will be coordinated at:

Carlsbad Unified School District, 6225 El Camino Real, Carlsbad, California, 92009, (760) 331-5000.

City of Carlsbad Police Department, 2560 Orion Way, Carlsbad, California, 92010, (760) 931-2100.

**F. COST**

Cost sharing will be based upon the services of **one-half of one full-time police officer** for ~~nine~~ **twelve** months of the school year for **Carlsbad High School, and one-half of one full-time police officer for ten months of the school year for Sage Creek High School.** The portion funded by the District will be prorated based upon the school year ~~(nine months)~~ at a rate of one half of the total salary of ~~one~~ two full-time sworn police officers for a total cost of ~~\$53,868~~ **\$144,397** ~~(excluding Summer School options)~~. See Exhibit A for details.

This Memorandum of Understanding will be effective August 29, 2018 and the Carlsbad Unified School District will pay annually to the Finance Director of the City of Carlsbad the agreed amount as outlined above. If the agreement is canceled as herein permitted, the city shall return to the district the portion of such payment allocable to the period of the term subsequent to the effective date of cancellation.

**G. SICK/INJURY/EMERGENCY ABSENCES**

The City of Carlsbad Police Department will provide general law enforcement services to Carlsbad High School, the middle and elementary schools, Carlsbad Village Academy, and the district offices via the patrol division whenever the regularly assigned school resource officer is temporarily unable to provide said services due to illness, injury or emergency leave, or when called away to perform other duties that preclude the officer's presence at the school. In the event of such occurrence, calls for service will be handled based on need in relation to other demands for police services.

**H. CITY EMPLOYEES**

City employees who perform duties under this agreement are not, for any purposes whatsoever, employees of the School District.

**I. NO RIGHTS IN THIRD PARTIES**

This Memorandum is not intended to benefit any third parties, create rights in favor of any third parties, or create a special relationship between any City of Carlsbad employee and any other person.

**J. LIABILITY AND INDEMNIFICATION**

Pursuant to Section 895.4 of the Government Code, the City of Carlsbad and Carlsbad Unified School District agree that each will assume the full liability imposed upon it for any of its officers, agents, or employees for injury caused by a negligent or wrongful act or omission occurring in the performance of this agreement, and each party agrees to indemnify and hold harmless the other party for any loss, cost, or expense that may be imposed upon such other party by the virtue of Sections 895.2 and 895.6 of the Government Code.

Carlsbad Unified School District

City of Carlsbad

By: \_\_\_\_\_

By: \_\_\_\_\_

Matt Hall, Mayor

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Barbara Engleson, City Clerk

Approved as to form:

Celia A. Brewer

City Attorney

By: \_\_\_\_\_

Assistant City Attorney

**EXHIBIT A**

*Carlsbad Police Department*

**SCHOOL RESOURCE OFFICER PROGRAM**

*2018-2019 Cost-Sharing Breakdown*

Costs are for one mid-step police officer (Step C) for one year and include only personnel costs; equipment and maintenance costs are not included.

<b>ANNUAL POLICE OFFICER PERSONNEL EXPENSES</b>	<b><del>COST PER OFFICER</del></b>	<b>COST PER OFFICER</b>
Salary	84,572	84,578
Overtime (@7.5% of Salary)	6,343	6,343
Holiday Pay (132 hours)	5,367	5,367
Disability & Unemployment (0.565%)	507	501
Retirement (42.78%)	39,193	39,686
Life Insurance (0.072%)	61	61
Medicare (1.45%)	1,396	1,362
Health Care	18,547	18,925
Uniform Allowance	700	700
<b>TOTAL PERSONNEL COSTS</b>	<b><del>156,686</del></b>	<b>\$157,523</b>

<b>SRO COST ALLOCATION</b>	<b>CARLSBAD UNIFIED</b>	<b>CARLSBAD HIGH</b>	<b>SAGE CREEK HIGH</b>	<b>TOTAL</b>
Annual Personnel Costs	156,686	157,523	157,523	315,046
Monthly Personnel Cost	13,057	13,127	13,127	26,254
Nine-Month Cost	117,514	157,523	131,270	288,793
<b>HALF SHARE COST TO SCHOOL</b>	<b><del>\$58,757</del></b>	<b>78,762</b>	<b>65,635</b>	<b>144,397</b>



## CITY COUNCIL

## Staff Report

**Meeting Date:** August 21, 2018  
**To:** Mayor and City Council  
**From:** Scott Chadwick, City Manager  
**Staff Contact:** Sheila Cobian, City Clerk Services Manager  
[sheila.cobian@carlsbadca.gov](mailto:sheila.cobian@carlsbadca.gov) or 760-434-2917  
**Subject:** Ordinance No. CS-338 - Amending Carlsbad Municipal Code Chapter 5.60 Short-Term Vacation Rentals

**Recommended Action**

Adopt Ordinance No. CS-338 amending Chapter 5.60 of the Carlsbad Municipal Code Short-Term Vacation Rentals to clarify operational regulations, definitions and add requirements as determined necessary based on the past fiscal year of enforcement efforts.

**Executive Summary /Discussion**

Ordinance No. CS-338 was introduced and first read at the City Council meeting held on July 24, 2018. On a motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, the City Council voted 5/0 to introduce the Ordinance. The second reading allows the City Council to adopt the ordinance which will become effective thirty days after adoption.

**Fiscal Analysis**

The annual cost to administer the contract with Host Compliance is \$70,000. The TOT collected in FY17-18 for STVRs specifically was \$775,000. It is anticipated that the city will continue to see an increase in the STVR TOT over time as additional STVRs are permitted and TOT is collected. The agreement with Airbnb to collect TOT on behalf of the City of Carlsbad is expected to have a positive TOT revenue impact, and assist greatly with collection of TOT.

**Next Steps**

The City Clerk will have the ordinance or a summary of the ordinance published in a newspaper of general circulation within fifteen days following adoption of the ordinance.

**Environmental Evaluation (CEQA)**

Pursuant to Public Resources Code section 21065, this action does not constitute a "project" within the meaning of CEQA in that it has no potential to cause either a direct physical change in the environment, or a reasonable foreseeable indirect physical change in the environment.

**Public Notification**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

**Exhibits**

1. Ordinance No. CS-338.

**ORDINANCE NO. CS-338**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, TO AMEND CARLSBAD MUNICIPAL CODE CHAPTER 5.60 SHORT-TERM VACATION RENTALS, CLARIFYING AND ADDING REGULATIONS GOVERNING SHORT-TERM VACATION RENTALS.

WHEREAS, over 1,100 short term vacation rentals (STVRs) are known to exist throughout the City of Carlsbad; and

WHEREAS, STVRs can have a positive economic impact bringing additional income through tax revenues, and benefitting the community as visitors to the city receive reasonably priced accommodations and spend money on visitor-related amenities such as restaurants, shops and tourist attractions; and

WHEREAS, short-term vacation rentals also have the potential for a negative neighborhood impact due to high rental activity and traffic, unfamiliar people coming and going every few days, excessive trash, parking issues and noise disturbances; and

WHEREAS, the City Council desires to protect neighborhoods from any adverse effects resulting from the operation of STVRs and also ensure that the city collects transient occupancy taxes/Carlsbad Tourism & Business Improvement District assessments from STVRs; and

WHEREAS, the City Council directed staff to return to the City Council in 2018 to provide an update on enforcement efforts and to recommend additional city imposed conditions of approval or restrictions if needed; and

WHEREAS, city staff has provided the requested enforcement update and recommends amendments to the STVR ordinance to clarify and add regulations, based on enforcement experience, to ensure STVRs have the least negative impact on the community.

NOW, THEREFORE, BE IT HEREBY RESOLVED AND ORDAINED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That Section 5.60.020 of the Carlsbad Municipal Code is amended to read as follows:  
**5.60.020 Definitions.**  
“Bedroom” means a private room intended for or capable of being used for sleeping, separated from other rooms by a door, curtain or other entry way,

having at least one window and a closet/storage nook and accessible to a bathroom without crossing into another bedroom.

“Broker” means any entity or person, including but not limited to, on-line websites, on-line travel agencies, and on-line booking agents, that offers, lists, advertises, accepts reservations and/or collects whole or partial payment for a short-term vacation rental unit.

“Owner” means the person(s) or entity(ies) that hold(s) legal and/or equitable title to the subject short-term vacation rental.

“Short-term vacation rental” is defined as the rental of any legally permitted dwelling unit as that term is defined in Chapter 21.04, Section 21.04.120 of this code, or any portion of any legally permitted dwelling unit for occupancy for dwelling, lodging or sleeping purposes for a period of less than 30 consecutive calendar days. Time-shares as defined in Chapter 21.04, Section 21.04.357 are not considered a short-term vacation rental. A trailer coach as defined in Chapter 5.24, Section 5.24.005 of this code, which is parked on the property of a legally permitted dwelling unit, is not considered a short-term vacation rental, and it may not be rented out for occupancy pursuant to Chapter 5.24, Section 5.24.145 of this code. Short-term vacation rental includes any contract or agreement that initially defined the rental term to be greater than 30 consecutive days and which was subsequently amended, either orally or in writing to permit the occupant(s) of the owner’s short-term vacation rental to surrender the subject dwelling unit before the expiration of the initial rental term that results in an actual rental term of less than 30 consecutive days. (Ord. CS-272 § I, 2015)

3. That Section 5.60.030 of the Carlsbad Municipal Code is amended to read as follows:

**5.60.030 Short-term vacation rentals.**

Short-term vacation rentals which comply with the requirements of this chapter are permitted only in the coastal zone as defined by the California Coastal Commission and in the La Costa Resort and Spa Master Plan area, to include the Balboa and Cortez buildings located at 2003 and 2005 Costa Del Mar Road. (Ord. CS-291 § 2, 2016; Ord. CS-272 § I, 2015)

4. That Section 5.60.060 of the Carlsbad Municipal Code is amended to read as follows:

**5.60.060 Obtaining and renewing a short-term vacation rental permit.**

- A. The owner or owner's authorized agent must submit the following information on a short-term vacation rental permit application form provided by the city:
  - 1. The name, address and telephone number of the owner of the short-term vacation rental unit.
  - 2. If applicable, the name, address and telephone number of the authorized agent of the owner of the short-term vacation rental unit.
  - 3. The name, address and telephone number of a local contact person who shall be available 24 hours per day, seven days per week for the purpose of responding within 45 minutes to complaints regarding the condition, operation, or conduct of occupants of the short-term vacation rental unit or their guests.
  - 4. The address of the proposed short-term vacation rental unit, all Internet listing sites for the short-term vacation rental unit and all listing numbers.
  - 5. The number of bedrooms in the short-term vacation rental unit.
  - 6. Acknowledgement of receipt of the city's "Good Neighbor" brochure.
  - 7. An owner shall prepare an impact response plan, which shall state the owner's intent to operate a short-term vacation rental, the number of bedrooms that will be rented to overnight guests and the owner or the owner's authorized agent's phone number. A copy of the impact response plan shall also be mailed or delivered to all residents and owners of property abutting or across the street from the short-term vacation rental.
  - 8. Such other information as the city manager or designee deems reasonably necessary to administer this chapter.
- B. Any fee for a short-term vacation rental permit shall be established by resolution of the city council.
- C. Any false statements or false information provided in the application for a short-term vacation rental permit shall be grounds for denial of a permit(s), permit revocation and/or imposition of penalties as outlined in this chapter.
- D. A short-term vacation rental permit application may be denied if the owner has had a prior short-term vacation rental permit revoked within the past 36 calendar months for the same or other short-term vacation rental unit within the City of Carlsbad.
- E. Short-term vacation rental permit holders must comply with the provisions of Carlsbad Municipal Code Chapter 3.12 and Chapter 3.37 regarding the collection and remittance of transient occupancy taxes and the collection and remittance of Carlsbad Tourism and Business Improvement District assessments. Failure to comply with these provisions may result in revocation of a short-term vacation rental permit. A broker that collects any revenue from arranging or listing a short-term rental unit shall have primary responsibility for

collecting, paying and transmitting all revenues due to the city pursuant to this section. (Ord. CS-272 § I, 2015)

5. That Section 5.60.070 of the Carlsbad Municipal Code is amended to read as follows:

**5.60.070 Operational requirements.**

- A. The owner and/or owner's authorized agent shall use reasonably prudent business practices to ensure that the short-term vacation rental unit is used in a manner that complies with all applicable laws, rules and regulations pertaining to the use and occupancy of the subject short-term vacation rental unit.
- B. While a short-term vacation rental unit is rented, a local contact person shall be available 24 hours per day, seven days per week for the purpose of responding within 45 minutes to complaints regarding the condition, operation, or conduct of occupants of the short-term vacation rental unit or their guests.
- C. The owner or owner's authorized agent shall post the short-term vacation rental permit on the exterior of the unit within plain view of the general public with the 24-hour, seven-day local contact phone number for complaints. The permit shall be displayed at all times the unit is used as a short-term vacation rental.
- D. The owner or the owner's authorized agent shall, upon notification that any occupant or guest of the short-term vacation rental unit has created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of any applicable law, rule or regulation pertaining to the use and occupancy of the short-term vacation rental unit, respond in a timely and appropriate manner to immediately halt or prevent a recurrence of such conduct. Failure of the owner or the owner's authorized agent to respond to such calls or complaints regarding the condition, operation, or conduct of the occupants and/or guests of the short-term vacation rental in a timely and appropriate manner shall subject the owner to all administrative, legal and equitable remedies available to the city.
- E. The owner and/or the owner's authorized agent shall use reasonably prudent business practices to ensure that the occupants and/or guests of the short-term vacation rental unit do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate any applicable law, rule or regulation pertaining to the use and occupancy of the subject short-term vacation rental unit.
- F. No amplified or reproduced sound shall be used outside or audible from the property line of any short-term vacation rental unit between the hours of 10:00 p.m. and 10:00 a.m.

G. The owner and/or owner's authorized agent shall use reasonably prudent business practices to ensure that the short-term vacation rental unit is used for residential purposes only. Commercial activities and special events, including but not limited to, weddings, receptions and large parties are prohibited. All occupants of the short-term vacation rental shall be notified of the prohibition against commercial activities prior to the reservation, rental or lease, and said prohibition shall be a part of any rental or lease agreement.

H. Prior to occupancy of a short-term vacation rental unit, the owner or the owner's authorized agent shall:

1. Obtain the contact information of the renter.
2. Provide a copy of the "Good Neighbor" brochure containing these requirements to the renter.
3. Require the renter to execute a formal acknowledgment that he or she is legally responsible for compliance by all occupants of the short-term vacation rental unit and their guests with all applicable laws, rules and regulations pertaining to the use and occupancy of the short-term vacation rental unit.
4. The information required in paragraphs 1 and 3 of this subsection shall be maintained by the owner or the owner's authorized agent for a period of three years and be made available upon request to any officer of the city responsible for the enforcement of any provision of the municipal code or any other applicable law, rule or regulation pertaining to the use and occupancy of the short-term vacation rental unit.

I. Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection by the city's authorized waste hauler on scheduled trash collection days.

J. All occupants and guests shall, to the greatest extent possible, utilize any on-site parking of the short-term vacation rental and avoid parking on nearby residential streets. On-site parking shall be allowed on approved driveway, garage, and/or carport areas only. Parking of over-sized vehicles must comply with the provisions of Section 10.40.180.

K. The number of occupants allowed to occupy any given short-term vacation rental unit shall be limited to two people per bedroom or studio plus one person per unit.

L. The city manager, or designee, shall have the authority to impose additional conditions on the use of any given short-term vacation rental unit to ensure that any potential secondary effects unique to the subject short-term vacation rental unit are avoided or adequately mitigated.

M. The owner or owner's authorized agent shall post the current short-term vacation rental permit number on or in any advertisement appearing in any written publication or on any website that promotes the availability or existence of a short-term vacation rental unit. (Ord. CS-272 § I, 2015)

6. That Section 5.60.080 of the Carlsbad Municipal Code is amended to read as follows:

**5.60.080 Penalties and enforcement.**

- A. Any person violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor punishable pursuant to Chapter 1.08 or Chapter 1.10 of this code.
- B. In addition to any penalties imposed pursuant to Chapters 1.08 and 1.10 of this code, the city manager, or designee, may impose additional conditions on the use of any short-term vacation rental permit pursuant to Section 5.60.070(L) above; or suspend or revoke any short-term vacation rental permit commensurate with the severity of the violation(s). The issuance of three or more administrative citations, verifiable municipal code violations or hearing officer determinations concerning permit requirements within a 24-month period shall result in revocation of a short-term vacation rental permit. Revocation is subject to a 30-day prior written notice and to appeal, if requested within ten days. The appeal procedures will otherwise follow those outlined in Chapter 1.10 of this code. In the event of permit revocation, an application to reestablish a short-term vacation rental at the subject property shall not be accepted for a minimum period of 36 months.
- C. Except as otherwise provided, enforcement of this chapter is at the sole discretion of the persons authorized to enforce this chapter. Nothing in this chapter shall create a right of action in any person against the city or its agents for damages or to compel public enforcement of this chapter against private parties.
- D. Pursuant to Subsection 1.08.010(C) of this code, each and every day during any portion of which any violation of this code or any other ordinance of the city is committed, continued or permitted shall be a separate offense.
- E. In accordance with the provisions of Section 3.36.040, the owner of a short-term vacation rental may be billed for law enforcement services when a second or subsequent police response is required at the short-term vacation rental unit due to a party when the police officer determines that continued activity is a threat to the peace, health, safety or general welfare of the public. (Ord. CS-272 § I, 2015)

EXHIBIT 1

EFFECTIVE DATE: This ordinance shall be effective thirty days after its adoption; and the City Clerk shall certify the adoption of this ordinance and cause the full text of the ordinance or a summary of the ordinance prepared by the City Attorney to be published at least once in a newspaper of general circulation in the City of Carlsbad within fifteen days after its adoption.

INTRODUCED AND FIRST READ at a Regular Meeting of the Carlsbad City Council on the 24<sup>th</sup> day of July, 2018, and thereafter

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_ day of \_\_\_\_\_, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
CELIA A. BREWER, City Attorney

\_\_\_\_\_  
MATT HALL, Mayor

\_\_\_\_\_  
BARBARA ENGLESON, City Clerk

(SEAL)



## CITY COUNCIL

## Staff Report

**Meeting Date:** August 21, 2018  
**To:** Mayor and City Council  
**From:** Scott Chadwick, City Manager  
**Staff Contact:** Sheila Cobian, City Clerk Services Manager  
[sheila.cobian@carlsbadca.gov](mailto:sheila.cobian@carlsbadca.gov) or 760-434-2917  
**Subject:** Ordinance No. CS-339 - Amending Carlsbad Municipal Code Section 21.05.080 - Limitations of Land Use  
**Project Name:** Prohibited Uses Clarification Amendment  
**Project No.:** ZCA 2017-0002/LCPA 2017-0003/AMEND 2017-0006 (PUB17Y-0015)

**Recommended Action**

Adopt Ordinance No. CS-339 acknowledging receipt of the California Coastal Commission's Resolution of Certification including suggested modifications to LCPA 2017-0003, and approving the associated suggested modifications to the Zoning Ordinance and Local Coastal Program.

**Executive Summary /Discussion**

Ordinance No. CS-339 was introduced and first read at the City Council meeting held on July 24, 2018. On a motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, the City Council voted 4/1 (Hall – Absent) to introduce the Ordinance. The second reading allows the City Council to adopt the ordinance which will become effective thirty days after adoption.

**Fiscal Analysis**

There is no anticipated fiscal impact.

**Next Steps**

The City Clerk will have the ordinance or a summary of the ordinance published in a newspaper of general circulation within fifteen days following adoption of the ordinance.

**Environmental Evaluation (CEQA)**

Acceptance and approval of the Coastal Commission's suggested modifications is exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15265(a)(1), which states:

- (a) CEQA does not apply to activities and approvals pursuant to the California Coastal Act (commencing with Section 30000 of the Public Resources Code) by:
  - (1) Any local government, as defined in Section 30109 of the Public Resources Code, necessary for the preparation and adoption of a local coastal program.

**Public Notification**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

**Exhibits**

1. Ordinance No. CS-339.

**ORDINANCE NO. CS-339**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, ACKNOWLEDGING RECEIPT OF THE CALIFORNIA COASTAL COMMISSION'S RESOLUTION OF CERTIFICATION INCLUDING SUGGESTED MODIFICATIONS FOR LCPA 2017-0003, AND APPROVING THE ASSOCIATED SUGGESTED MODIFICATIONS TO THE ZONING ORDINANCE AND LOCAL COASTAL PROGRAM.

CASE NAME: PROHIBITED USES CLARIFICATION AMENDMENT

CASE NO.: ZCA 2017-0002/LCPA 2017-0003 (PUB17Y-0015)

WHEREAS, on September 26, 2017, the City Council adopted Ordinance No. CS-325, approving ZCA 2017-0002/LCPA 2017-0003 – Prohibited Uses Clarification Amendment; and

WHEREAS, the Carlsbad Zoning Ordinance is the implementing ordinance of the Carlsbad Local Coastal Program, and therefore, an amendment to the Zoning Ordinance also constitutes an amendment to the Local Coastal Program; and

WHEREAS, the California Coastal Act requires Coastal Commission certification of any local coastal program amendment; and

WHEREAS, on September 28, 2017, the city submitted an application to the Coastal Commission requesting to amend the Carlsbad Local Coastal Program pursuant to LCPA 2017-0003; and

WHEREAS, on June 7, 2018, the California Coastal Commission approved the city's Local Coastal Program Amendment (LCPA 2017-0003); and the city received a letter dated June 8, 2018 from the California Coastal Commission that certifies (resolution of certification) the Coastal Commission's approval of the city's Local Coastal Program amendment (LCPA 2017-0003), subject to suggested modifications; and

WHEREAS, the California Coastal Commission's approval of LCPA 2017-0003 will not become effective until the Commission certifies that the city has amended its Local Coastal Program pursuant to the Commission's suggested modifications; and

WHEREAS, on July 24, 2018, the City Council held a duly noticed public hearing as prescribed by law to consider the Coastal Commission's suggested modifications.

NOW, THEREFORE, the City Council of the City of Carlsbad, California, ordains as follows that:

1. The above recitations are true and correct.
2. That section 21.05.080 of the Carlsbad Municipal Code is amended as follows:

21.05.080 Limitation of Land Use.

Except as provided in this title, no building shall be erected, reconstructed or structurally altered, nor shall any building or land be used for any purpose except as hereinafter specifically provided and allowed in the same zone in which such building and land is located. Cardrooms (Ch. 5.12), retail sales of dogs and cats (Ch. 7.16), camping on public property (Ch. 8.36), mini-satellite wagering (Ch. 8.80) and cannabis activities (Ch. 8.90) prohibited elsewhere in this code are also prohibited as land uses under this title.

EFFECTIVE DATE: The approval of this ordinance shall not be effective until the Executive Director of the California Coastal Commission certifies that implementation of LCPA 2017-0003 will be consistent with the Coastal Commission's approval of LCPA 2017-0003 with suggested modifications.

INTRODUCED AND FIRST READ at a Regular Meeting of the Carlsbad City Council on the 24th day of July 2018, and thereafter

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_\_\_ day of \_\_\_\_\_ 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
CELIA A. BREWER, City Attorney

\_\_\_\_\_  
MATT HALL, Mayor

\_\_\_\_\_  
BARBARA ENGLESON, City Clerk

(SEAL)



## CITY COUNCIL

## Staff Report

**Meeting Date:** August 21, 2018  
**To:** Mayor and City Council  
**From:** Scott Chadwick, City Manager  
**Staff Contact:** Jason Haber, Assistant to the City Manager  
[jason.haber@carlsbadca.gov](mailto:jason.haber@carlsbadca.gov) or 760-434-2958  
**Subject:** SANDAG/Caltrans - Interstate 5 North Coast Corridor Program Phase 1 (Build NCC)

**Recommended Action**

Receive a presentation from SANDAG and Caltrans representatives regarding the Interstate 5 North Coast Corridor Program Phase 1 (Build NCC).

**Executive Summary**

Build NCC is a comprehensive set of transportation, environmental, and coastal access projects taking place in the Cities of Solana Beach, Encinitas, and Carlsbad. Caltrans and SANDAG will provide an overview of upcoming construction scheduled to occur in the City of Carlsbad from October 2018 through late 2021.

**Discussion**

Caltrans and SANDAG will break ground on the next stage of Build NCC improvements in October 2018. This stage will extend a new HOV/carpool lane on I-5 in each direction between Birmingham Drive in the City of Encinitas and Palomar Airport Road in the City of Carlsbad. The project is expected to be complete in late 2021.

Phase 1 is estimated to cost \$846 million, and is funded through a mix of federal, state and TransNet funds, the regional half-cent sales tax for transportation administered by SANDAG. Phase 1 also was recently awarded \$195 million in Senate Bill 1 funds by the California Transportation Commission (CTC), as part of its 2018 Solutions for Congested Corridors Program.

Additional project details are provided in the North Coast Corridor Project Fact Sheet, attached as Exhibit 1.

**Fiscal Analysis**

No city funding is being requested.

**Next Steps**

SANDAG and Caltrans expect to begin construction in October 2018.

### **Environmental Evaluation (CEQA)**

Receiving a report does not qualify as a "project" under the California Environmental Quality Act (CEQA) per State CEQA Guidelines Section 15378, as it does not result in a direct or reasonably foreseeable indirect physical change in the environment.

### **Public Notification**

This item was noticed in accordance with the Ralph M. Brown Act (California Government Code Section 54950 et seq.), published and distributed at least 72 hours prior to the meeting date and time.

### **Exhibits**

1. North Coast Corridor Project Fact Sheet - SANDAG

# Build NCC



## About the Project

Build NCC is the first phase of construction of the North Coast Corridor (NCC) Program in the cities of Solana Beach, Encinitas, and Carlsbad. Build NCC is part of a comprehensive set of transportation, environmental, and coastal access projects to improve the quality of life for residents, create a stronger local and regional economy for the future, and enhance the coastal environment.

## Highway Improvements

Caltrans will extend carpool lanes on Interstate 5 (I-5) from Lomas Santa Fe Drive in Solana Beach to State Route 78 (SR 78) in Oceanside. Additional highway improvements include replacing and lengthening the San Elijo highway bridge to accommodate the carpool lanes and help improve lagoon tidal flow; some sound walls on private property; a new Park & Ride/multi-use facility at the I-5/Manchester Avenue interchange; and auxiliary lanes. The multi-use facility will provide parking for carpools, bike lockers, electric vehicle charging stations, and recreational access to the San Elijo Lagoon and the new North Coast Bike Trail.



## Rail Improvements

Improving the coastal rail line is a central component of Build NCC. Two double track projects – San Elijo Lagoon Double Track and Batiquitos Lagoon Double Track – are part of a larger plan to improve the coastal rail system by adding a second track, allowing trains traveling in opposite directions to pass without slowing down or stopping, increasing efficiency and reliability. Other project features include the replacement and lengthening of the rail bridge spans over the San Elijo and Batiquitos lagoons. Additionally, at-grade rail crossing improvements will be made at Chesterfield Drive in Encinitas.



## Lagoon/Bike/Pedestrian

Build NCC includes the restoration of the San Elijo Lagoon. The restoration project will be coordinated with the San Elijo Lagoon Conservancy and resource agencies. Restoration will enhance the lagoon's wetland and upland areas, improve tidal flushing, and includes beach sand replenishment.

Improving coastal access is a critical component of the NCC Program. Build NCC will include new east-west and north-south bicycle and pedestrian trails in and around the San Elijo Lagoon.



See inside map for details.

## Project Schedule and Funding

**Construction Start Date**  
2017

**Completion Date**  
2021

**Funding Sources**  
Federal  
State  
SANDAG (TransNet)

**Contractor**  
Flatiron-Skanska-Stacy and Witbeck

**Total Project Cost**  
Approximately \$700 million  
(Highway \$480 million; Rail \$140 million;  
Environment \$80 million)

*The budgeted amounts are per the Draft FY19 budget provided to the SANDAG Board of Directors.*

## For more information:

[KeepSanDiegoMoving.com/BuildNCC](http://KeepSanDiegoMoving.com/BuildNCC)

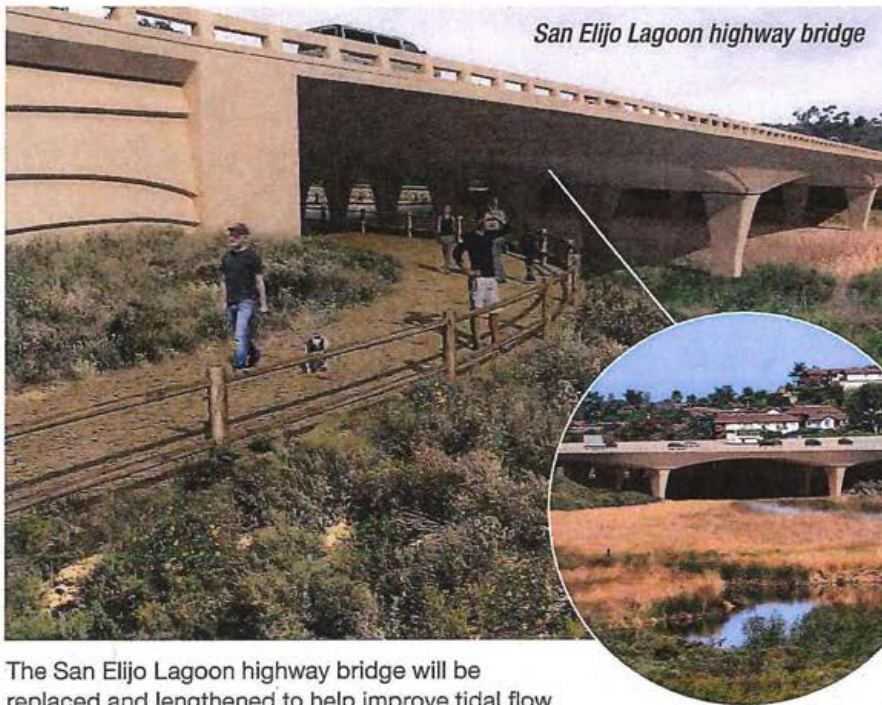
**Construction Hotline:** (844) NCC-0050

**Arturo Jacobo**, Project Manager  
(619) 688-6816  
[Arturo.Jacobo@dot.ca.gov](mailto:Arturo.Jacobo@dot.ca.gov)  
[dot.ca.gov/dist11](http://dot.ca.gov/dist11)

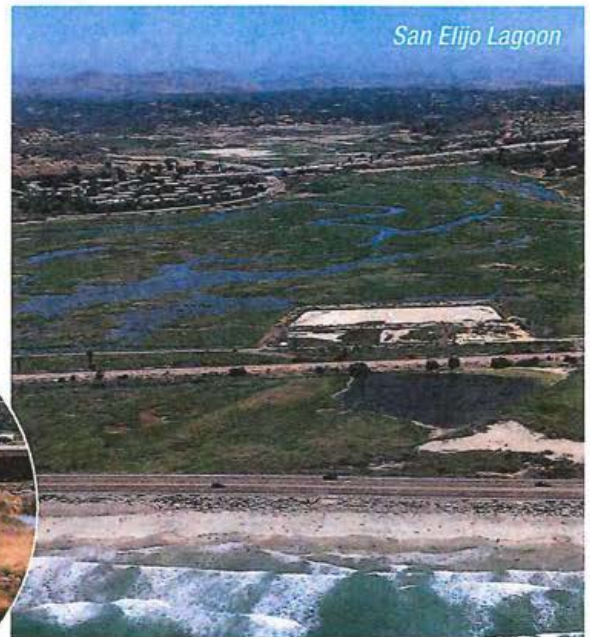
@BuildNCC | @SDCaltrans  
 SANDAGregion | CaltransDistrict11  
 SANDAGregion | CaltransDistrict11

As of April 2018

## Integrating Transportation and Environmental Enhancements



*San Elijo Lagoon highway bridge*



*San Elijo Lagoon*

The San Elijo Lagoon highway bridge will be replaced and lengthened to help improve tidal flow in the lagoon. The wider bridge will accommodate an additional carpool lane in each direction. In addition, a suspended bike and pedestrian bridge will be built underneath the San Elijo Lagoon highway bridge to further increase north-south and east-west connectivity, and create more travel options. A 10-mile North Coast Bike Trail bike trail will be constructed to expand the regional bike and pedestrian network.

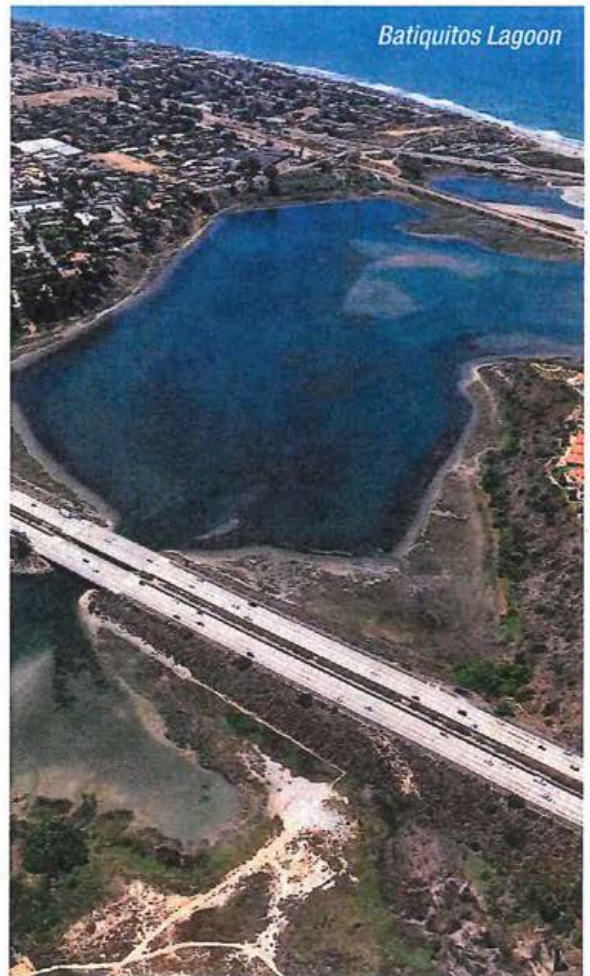
## Preserving Community Character and Improving Coastal Access



*Santa Fe Drive in Encinitas*

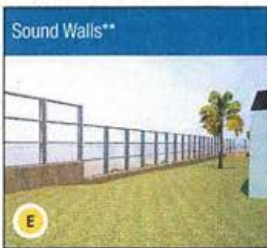
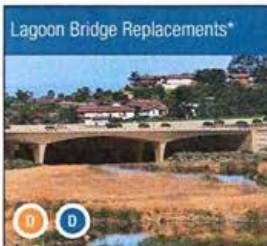
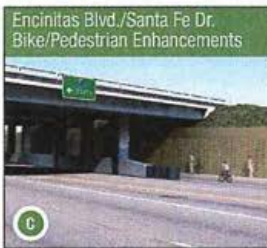
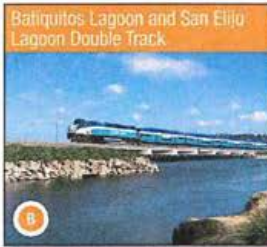
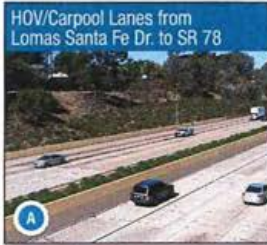
Build NCC includes local bike/pedestrian path improvements in Encinitas and Carlsbad. The interchanges at Encinitas Boulevard and Santa Fe Drive will be upgraded with new bike and pedestrian paths.

To help reduce freeway noise for nearby residents, Caltrans is proposing to construct some sound walls on private property. In areas with views, transparent sound walls will be offered to residents.



*Batiquitos Lagoon*

# Build NCC



\* Bridge replacements will help improve tidal flow and overall lagoon health.

\*\* Not all proposed sound walls will be transparent (glass).





## CITY COUNCIL

## Staff Report

**Meeting Date:** 08/21/18  
**To:** Mayor and City Council  
**From:** Scott Chadwick, City Manager  
**Staff Contact:** Cindy Anderson, Senior Management Analyst  
[cindy.anderson@carlsbadca.gov](mailto:cindy.anderson@carlsbadca.gov) or 760-931-2170  
**Subject:** License Plate Reader Update and Consideration of Expansion of the Program

**Recommended Action**

Receive update on the License Plate Reader (LPR) program and evaluate a resolution to approve further expansion of the program. If the expansion is approved, adopt a resolution to enter into a contract for the purchase of the hardware components, execute an Enterprise Service Agreement (ESA) directly with Vigilant Solutions, LLC, in an amount not to exceed \$497,384.73. The city will exercise the right to utilize the piggy-back clause of the competitively bid solicitation made available by the National Cooperative Purchasing Alliance (NCPA). There would be approximately \$40,000 of additional costs for the physical installation of the cameras, totaling \$537,384.73.

**Executive Summary**

On March 14, 2017, City Council adopted a resolution to enter an \$807,025.20 contract with Mallory Safety & Supply to acquire Vigilant Solutions LPRs by exercising the piggy-back clause of the competitively bid solicitation made available by U.S. Communities Cooperative Purchasing Program, to purchase 51 fixed LPR cameras. The fixed cameras were installed at 14 intersections in the city and the mobile license plate reader cameras were installed on six marked police vehicles. On April 19, 2017, the ESA between Vigilant Solutions, the provider of the hardware components and software used to recognize the license plates captured by the LPR cameras, and the City of Carlsbad was executed. On December 20, 2017, all installations of the cameras and software were completed.

As of July 1, 2018, the license plate reader program has scanned 48,181,824 license plates in the City of Carlsbad. Out of these scans, the Carlsbad Police Department received 267 accurate reports of stolen or wanted vehicles and license plates. These 267 reports led to the recovery of 65 vehicles, or, approximately \$459,245 worth of recovered property. In addition, the police were able to recover ten stolen license plates. The LPR readers have directly contributed to 63 arrests based on stolen vehicle reports. However, the use of LPRs has not been confined solely to stolen vehicles/license plates. The Police Department has solved numerous other types of cases through the use of the LPR program.

Due to the LPRs proven usefulness, the police department is providing the City Council with program options to expand the LPR program by adding an additional 35 fixed LPR cameras at 20 locations throughout the city. If the City Council is in support of this option, the City Council will

need to authorize a contract for the purchase of the hardware components and the execution of an ESA with Vigilant for the additional LPR cameras in an amount not to exceed of \$497,384.73. There are no additional costs associated with the vendor, Vigilant Solutions. If the City Council supports the expansion option, there are sufficient funds in the FY 2018-19 General Fund operating budget and there are sufficient funds in the Information Technology FY 2018-19 operating budget for the program enhancement.

#### Discussion

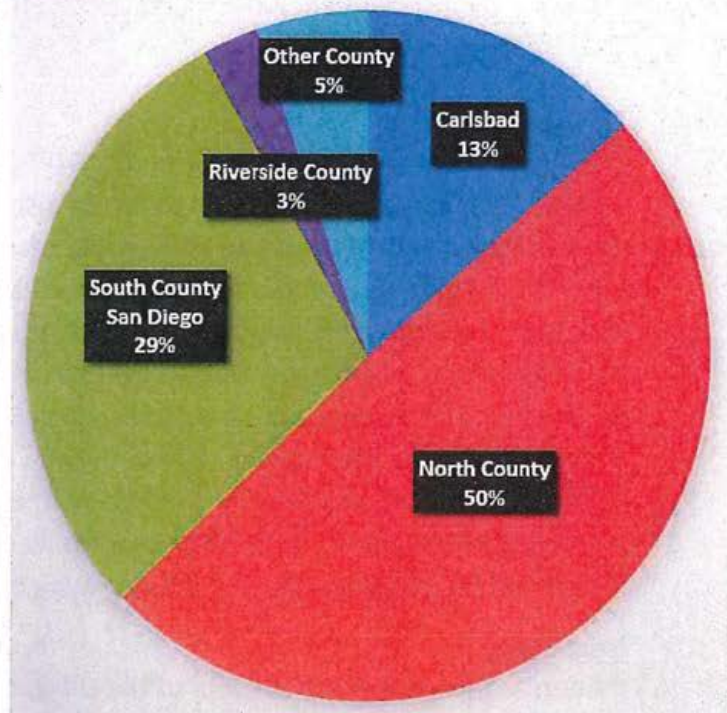
On March 14, 2017, City Council adopted a resolution to enter into an \$807,025.20 contract for the purchase of the hardware components and the execution of an ESA with Vigilant to purchase 51 fixed LPR cameras to be installed at 14 intersections in the city and six mobile license plate reader cameras to be installed on marked police vehicles. On April 19, 2017, the ESA between Vigilant and the City of Carlsbad was executed. A separate \$49,500 agreement for the physical installation of the cameras was executed under a competitively bid Public Works Standard Contract with Bear Electrical Solutions, Bid No. PWS17-126PD. On December 20, 2017, all installations were completed successfully.

The fixed LPR cameras were installed along main thoroughfares and they capture vehicle license plates as they pass by the cameras, the photographs are uploaded into a database that is solely available to law enforcement, the license plate in the photograph is checked against a hot sheet (the hot sheet is a list of license plates of stolen vehicles, stolen license plates or license plates of vehicles of interest in other types of crimes), and, if there is a hit on the hot list, police dispatch is immediately notified.

As of July 1, 2018, there have been 48,181,824 license plates detected. These detections have resulted in 267 accurate hits of vehicles and license plates that were listed as stolen, lost, or wanted. Of those 267 hits, 65 stolen vehicles and 10 stolen license plates have been recovered, resulting in a total of approximately \$459,245 worth of property recovered.

With the assistance of LPR cameras, the Police Department has arrested 63 subjects in connection with possession of wanted vehicles and license plates. Of the 63 arrests made, 44 of those subjects had a prior criminal history and/or were on probation or parole, and 18 of them had a history of violent crimes. Six of the subjects arrested were also found in possession of property from nearby burglaries, and one subject was linked to an attempted homicide out of another city in San Diego County.

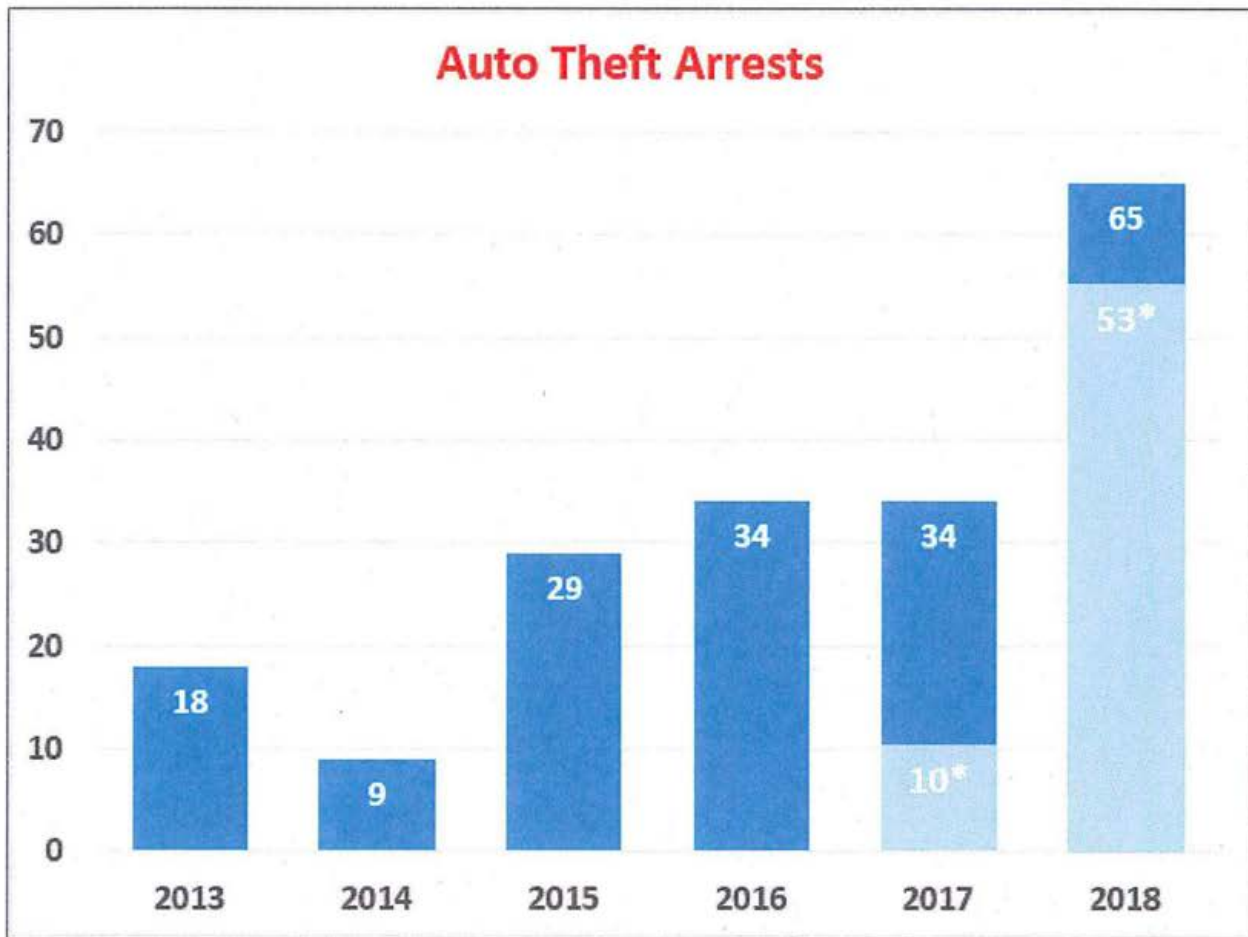
**Victims' Geographic Areas**



*Based on the recovery of 65 stolen vehicles and 10 stolen license plates*

The majority of the recovered vehicles and license plates were stolen from San Diego County, with ten victims being Carlsbad residents and half of them coming from other parts of North County San Diego. The chart labeled "Victims' Geographic Areas" indicates the areas where the stolen vehicles and license plate were originally reported from before they were recovered in Carlsbad with the assistance of LPRs.

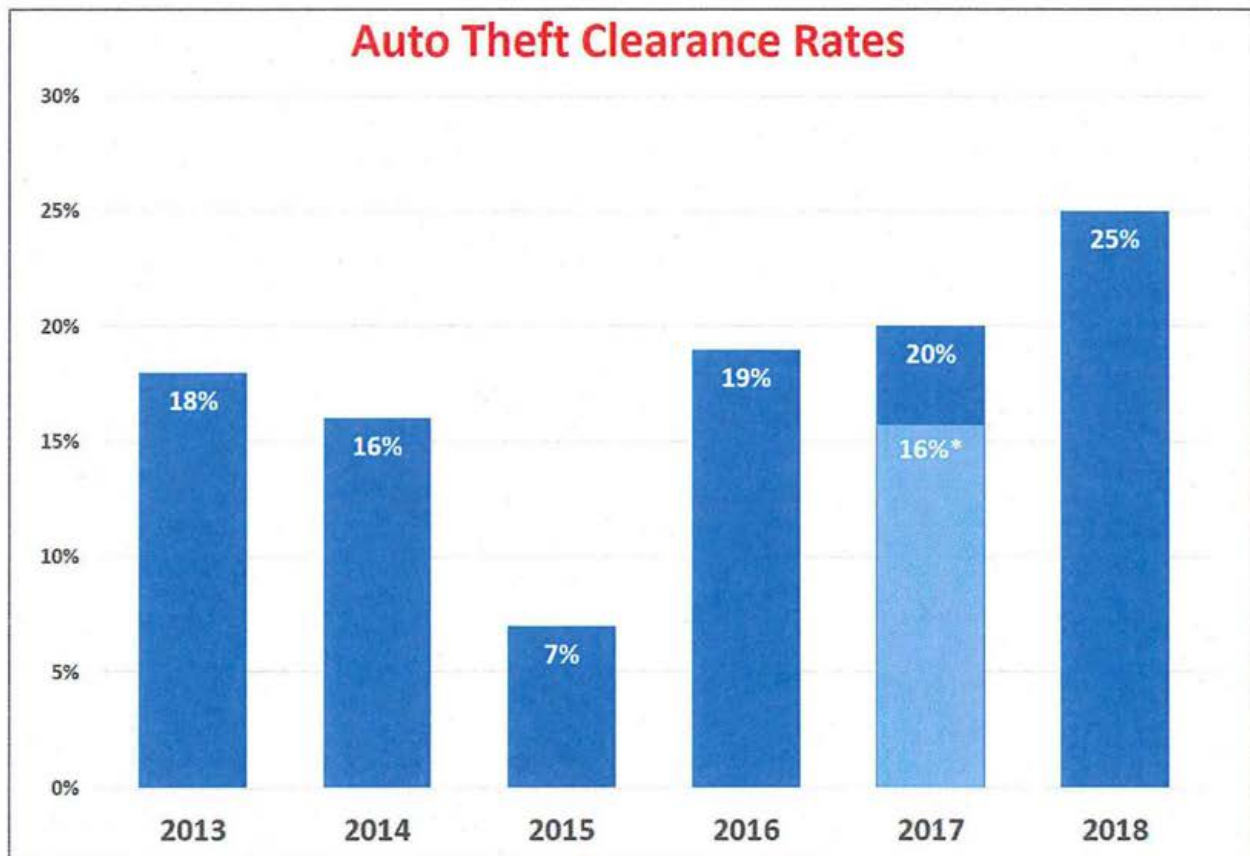
The number of arrests related to auto thefts has increased significantly since the LPR program began in 2017. This graph depicts the total number of arrests for motor vehicle thefts in the City of Carlsbad per year since 2013:



*\*Arrests with assistance of LPR*

*\*\*2018 data is year-to-date as of July 1, 2018*

The Carlsbad Police Department's clearance rate for auto theft is 25% in 2018. A case is generally only considered cleared if a suspect is arrested in connection to the case. This clearance rate is nearly double the national average of 13.3% (as reported by the FBI Uniform Crime Reporting 2016 National Clearance Rates).



\*2017 clearance prior to the first fixed LPR installation in June 2017

\*\*2018 data is year-to-date as of July 2018

In addition to the license plate detection system, the LPR system also provides the police department with access to the Law Enforcement Archival Reporting Network (LEARN), which is an investigative software program that allows law enforcement to search for LPR records by license plate number, vehicle description, or location. Using LEARN, the police department can also create an investigative hot sheet, which sends an alert when a certain license plate is detected. LEARN has assisted the police department in solving crimes in numerous other ways. Below are several example incidents using LEARN:

- On three separate occasions during calls of vehicle burglaries, Carlsbad PD officers used the LPR system to assist in determining the models and color of the respective suspect vehicles. This information assisted officers in finding the involved suspect vehicles in the field. In all three cases, the suspects were ultimately arrested.
- On June 7, 2017, the police department was investigating a missing persons case and queried the missing person's license plate in LEARN. Investigators found that a commercial LPR system captured the license plate at a hotel in Encinitas the day before. A Carlsbad PD officer responded to that location and located the missing person.
- On July 31, 2017, a reporting party called in a suicidal person whose whereabouts were unknown. A Carlsbad PD officer queried the person's name through the DMV system and found a possible vehicle registered to her, then queried the vehicle license plate through the LPR database to find the model and color. The officer broadcasted to other police units the vehicle's information and last LPR hit location. Officers located the victim by finding her car. The victim was safely transported to the hospital for a 72-hour mental health evaluation.
- On July 31, 2017, a suspect was wanted for an attempted murder that occurred in Carlsbad. The suspect vehicle license plate was entered into the LPR hot sheet. Carlsbad detectives received an LPR hit in Phoenix, AZ and contacted law enforcement agencies in Arizona as well as the U.S. Marshals to look for the suspect near the LPR hit. The suspect was eventually located and arrested for attempted homicide in Arizona.
- In November 2017, a vehicle was stolen in Carlsbad and the suspect swapped out the license plate with a different license plate in order to avoid detection. This new license plate was entered into LEARN's hot sheet to alert officers that the plates were swapped and the vehicle was actually stolen. Carlsbad PD received notification of an LPR hit and located the vehicle near the location of the LPR hit. They arrested the individual for being in possession of drugs, and located evidence of an additional 40+ victims of identity theft in the vehicle. Several suspects were identified in this major crime ring, who were believed to be doing burglaries across the county.
- Beginning in January 2018, there was a regional commercial burglary series where unknown subjects wearing masks would use sledgehammers to break into businesses during the nighttime and steal cash from registers and safes. Carlsbad had 11 cases that were believed to be related to this burglary series. Using the LEARN software, the police

department identified a possible suspect vehicle that had been captured near three of the businesses that had been burglarized on two different days. Detectives from several counties used this information to investigate their burglary cases. After an extensive investigation, the suspects were ultimately arrested and charged with numerous counts of commercial burglaries from three different counties.

- On February 20, 2018, three subjects burglarized a residence in Carlsbad and stole approximately \$5,000 worth of property, including three firearms (one being an AR-15 assault rifle) and ammunition. The incident was captured on a neighbor's surveillance camera. The LEARN software was used to determine a possible suspect vehicle license plate. After a thorough investigation, detectives identified all three suspects, made an arrest, and recovered stolen property, to include the stolen assault rifle. In addition, numerous stolen items from other cases countywide were found during the investigation and returned to its owners.
- On March 23, 2018, Carlsbad Police responded to an attempted murder in the parking lot of a business. Using investigative measures, the police department was able to identify the suspect and his vehicle, and entered his license plate into the LEARN hot list system. The suspect's vehicle was then captured on an LPR camera in Riverside County, notifying the police department of his whereabouts. Within less than three hours from the original call, the suspect was located and arrested in a neighboring county as he attempted to flee the attempted homicide.
- On May 21, 2018, Carlsbad officers received an LPR hit on a stolen vehicle. Officers located the vehicle and detained the driver. Carlsbad Police was then notified that the subject was wanted in connection with an attempted homicide that had just occurred in another city within the county. The subject was released to the other agency to further their attempted homicide investigation.

The police department is offering a program expansion option for LPR to include an additional 35 LPR cameras at 20 locations throughout the city. The expansion will include cameras in the downtown area where the number of calls for service are much higher, as well as major retail centers and neighborhoods near motels, and one additional intersection near the city's border. Having LPR cameras in these areas will assist the police department in tracking wanted license plates as the vehicles traverse the city and assist the police department in identifying suspect vehicles as they leave specific areas within the city after committing crimes.

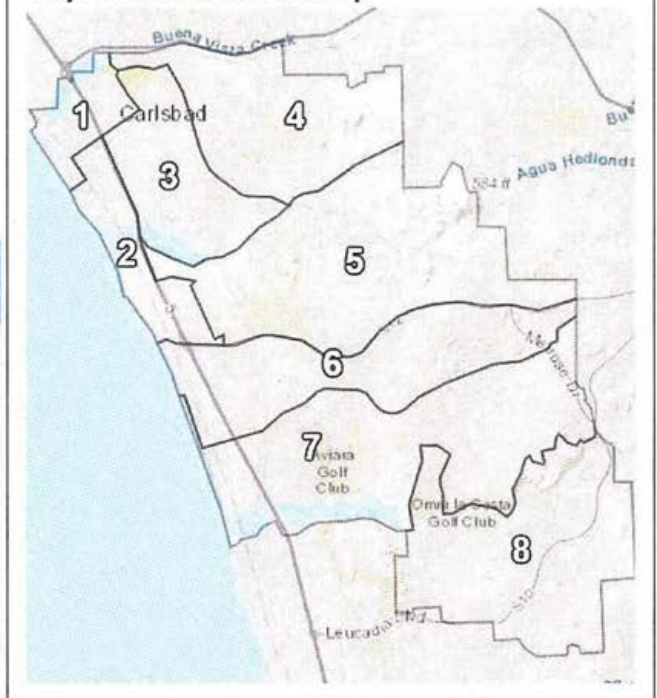
### Priority 1: Downtown area

The city is divided into eight beats, with the downtown area being Beat 1. The table below shows the calls for service data, arrest data, and crime data for 2017 by beat, which shows that police activity in the 1 beat is much higher than other beats in the city.

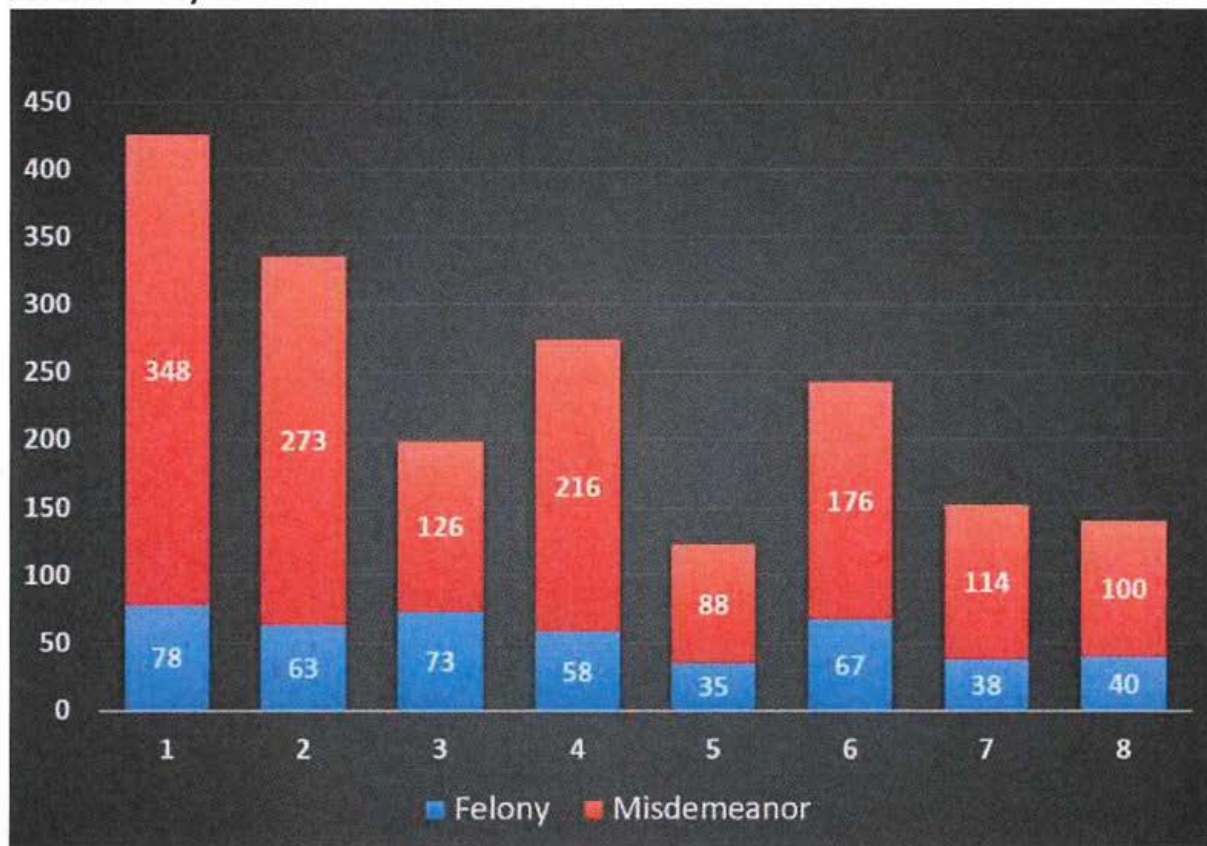
#### Calls for Service by Beat

Beat	Calls for Service	Area (sq. mi)	CFS per sq. mi
1	1,124	1.30	864.62
2	994	1.90	523.16
3	830	3.30	251.52
4	1,026	4.90	209.39
5	1,131	8.00	141.38
6	1,140	5.10	223.53
7	829	8.60	96.40
8	872	6.60	132.12

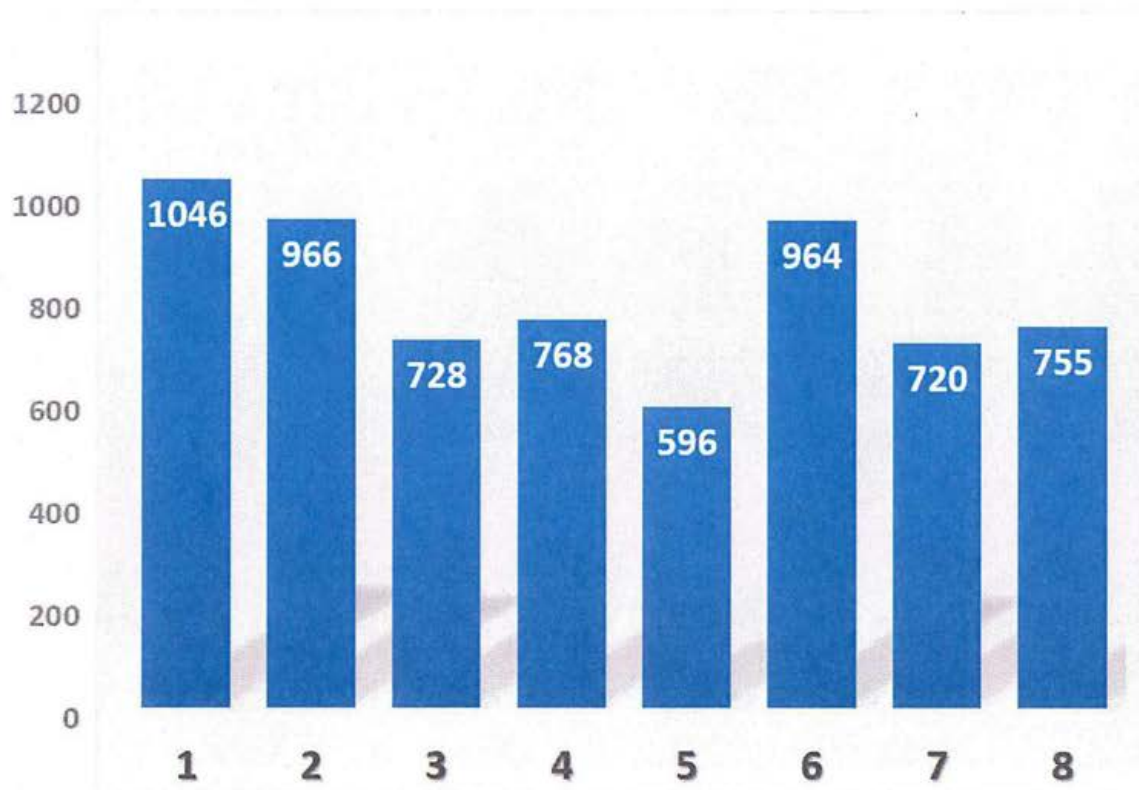
City of Carlsbad Beat Map



#### Arrest Data by Beat



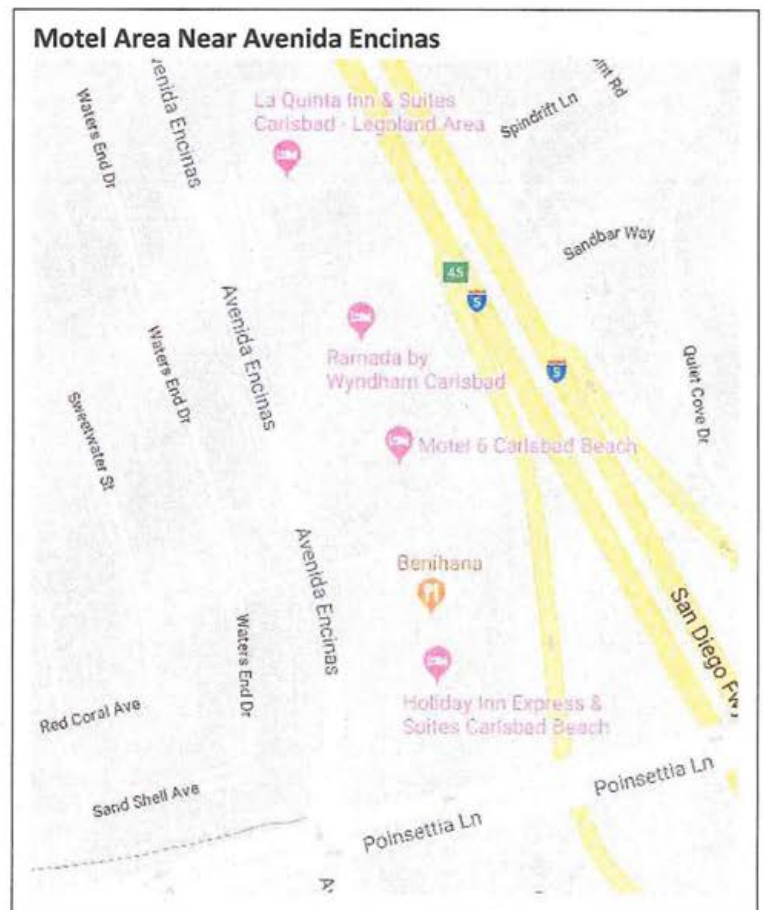
## Crimes Reported by Beat



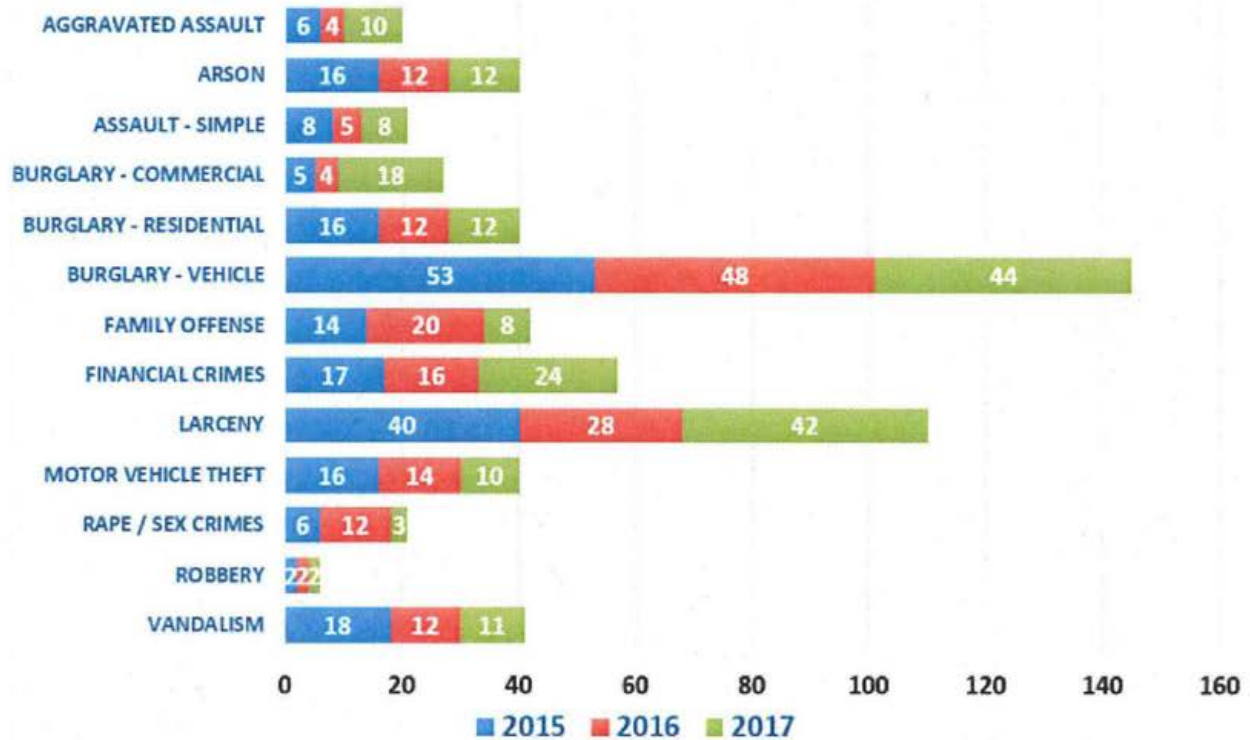
### Priority 2: Motel Area

A 2016 informal study of arrests in Carlsbad showed that approximately 71 percent of suspects arrested within the city for property crimes do not reside in Carlsbad, and a large number of arrests for property and drug-related crimes occur near motel areas, especially in the region off Avenida Encinas, between Palomar Airport Road and Poinsettia Lane, where there are multiple motels within a close proximity. Having LPR cameras in this area will allow the police department to identify vehicles of subjects who are staying near or at the motels to commit crimes.

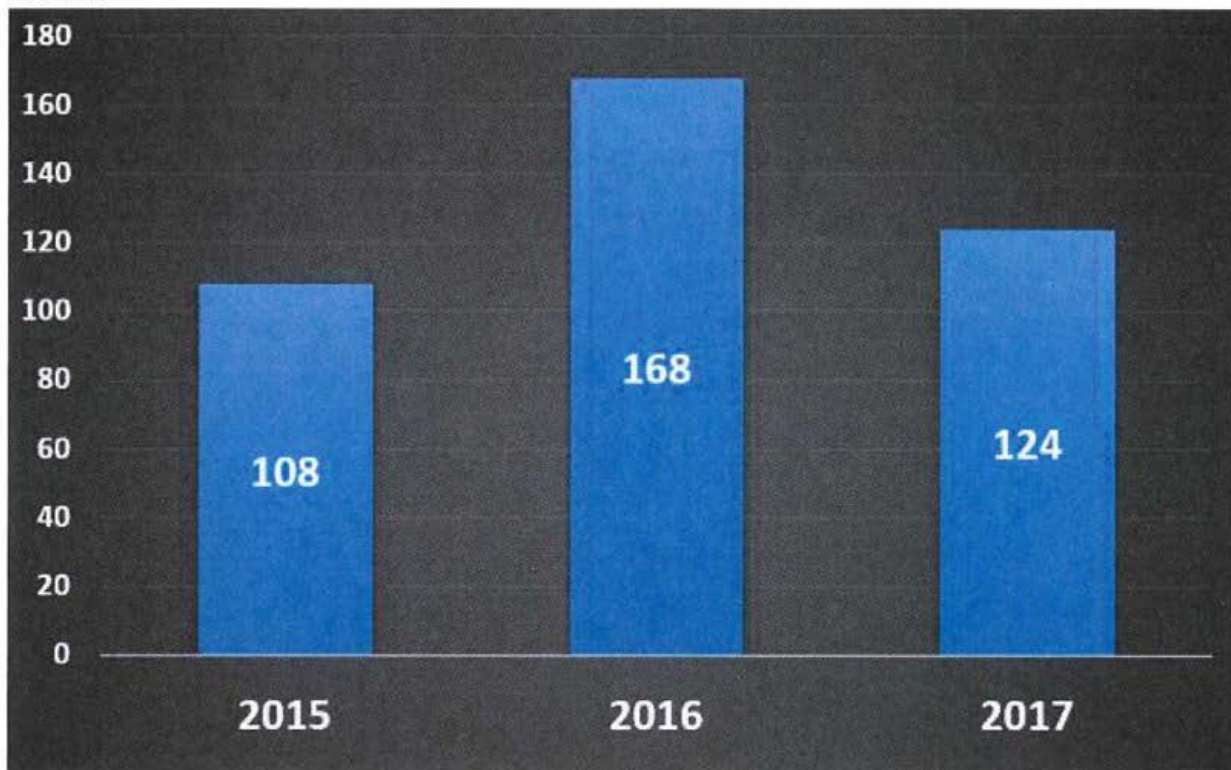
Below are the statistics over the past three years of crimes reported and arrests made within a half-mile radius of the motels near Avenida Encinas:



## Crimes Reported



## Arrests



### Priority 3: Retail Centers

The three major retail areas considered are The Shoppes at Carlsbad, The Company Stores, and The Forum. According to the San Diego Organized Retail Crime Association, 94.5 percent of retailers have been victims of organized retail crime in the past 12 months, an increase from 89.5 percent the year before. Additionally, six out of ten national retailers reported seeing an increase in organized retail crime in the same period. Surrounding the businesses with LPR cameras will assist in identifying vehicles used by these subjects, in an effort to disrupt their activity.

The table below shows the police activity for each major retail center in the city in 2017:

	Calls for Service	Crime Reports	Arrests
Shoppes at Carlsbad	2,331	339	199
Company Stores	2,123	273	65
The Forum	1,320	74	9

### Priority 4: City Border

The proposed location is the intersection of College Boulevard and Tamarack Avenue, near the border of Oceanside where there is a higher rate of calls for service compared to other residential neighborhoods within the city. Historical data has shown that suspects committing crimes in the Northwest quadrant of the city will enter and exit the city through this thoroughfare.

The expansion will place 35 fixed LPR cameras at the following 20 locations:

#### ***Priority 1 - Downtown***

No. of Cameras	Direction	Location
2	Westbound	Carlsbad Village Drive (West of I-5 Freeway)
2	Eastbound	Carlsbad Village Drive / Harding Street
1	Northbound	Carlsbad Boulevard / Round-About
1	Southbound	Jefferson Street / Las Flores Drive
1	Northbound	Jefferson Street / Tamarack Avenue
2	Westbound	Tamarack Avenue / Jefferson Street
2	Eastbound	Tamarack Avenue / Jefferson Street
2	Northbound	Carlsbad Boulevard / Tamarack Avenue
2	Southbound	Carlsbad Boulevard / Tamarack Avenue
1	Eastbound	Chestnut Ave (Under I-5 Freeway)

#### ***Priority 2 – Motels***

No. of Cameras	Direction	Location
2	Northbound	Avenida Encinas / Poinsettia Lane
2	Southbound	Avenida Encinas / Palomar Airport Road

**Priority 3 - Retail Stores**

No. of Cameras	Direction	Location
2	Southbound	Paseo Del Norte / North of Palomar Airport Road
2	Eastbound	Cannon Road / Car Country Road
2	Southbound	Calle Barcelona at South Forum Exit
2	Eastbound	Calle Barcelona at East Forum Exit
2	Eastbound	Plaza Drive / El Camino Real
1	Westbound	Plaza Drive / El Camino Real
2	Northbound	Marron Road / Jefferson Street

**Priority 4 - City Border**

No. of Cameras	Direction	Location
2	Northbound	College Boulevard / Tamarack Avenue

If the City Council is in support of the option to expand the LPR program, they would need to adopt the Resolution attached to this staff report (Exhibit 1) and enter into a contract with NCPA in an amount not to exceed \$497,384.73. The acquisition will include the commissioning of all equipment, mounting, programming, aiming, software installation, and includes a warranty and service period of five years. The vendor for the LPR system, Vigilant Solutions, is the same supplier the city utilized during its 2017 implementation, and is part of a U.S. Communities cooperative purchase program, leveraging more than 55,000 member agencies. There are no additional costs through Vigilant Solutions for the expansion.

Carlsbad Municipal Code section 3.28.100 authorizes the Purchasing Officer to use Cooperative Purchasing Agreements when those agreements are deemed to be in the best interest of the city and have been awarded in a competitive manner. The Purchase Contract has been reviewed by the city's Purchasing Officer who has found the contract to be in compliance with the city code.

**Fiscal Analysis**

The contract with Vigilant Solutions is for \$497,384.73. Included with the purchase will be the cost of programming, aiming, and software installation. Additionally, five years of commercial data and five years of basic and standard services packages to include software warranty, hosting fees, and all required features, as well as five years of hardware warranty are included. Further, there would be approximately \$40,000 of additional costs for the physical installation of the cameras, totaling \$537,384.73. There are sufficient funds in the FY 2018-19 General Fund operating budget if Council decides to move forward with the expansion of this program. Further, a three-year cellular Verizon air-card, which is required for inter-connectivity, will cost approximately \$47,800. The payment is made monthly in the amount of \$1,330, totaling approximately \$15,960 per year for three years. There are sufficient funds in the Information Technology FY 2018-19 operating budget for the additional \$15,960 annual costs.

**Next Steps**

If Council approves the expansion of the LPR program, a contract will be released to purchase the hardware components, and an ESA for the support of the program will be executed by means of exercising the piggy-back clause of the NCPA cooperative agreement directly with

Vigilant. The physical installation of the cameras will be accomplished by requesting bids and executing a Minor public works contract.

#### **Environmental Evaluation (CEQA)**

Pursuant to Public Resources Code section 21065, this action does not constitute a “project” within the meaning of CEQA in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review.

#### **Public Notification**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

#### **Exhibits**

1. City Council Resolution
2. Quote dated August 6, 2018 from Vigilant Solutions, LLC
3. Map of proposed LPR locations

**RESOLUTION NO.**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, TO ENTER INTO A CONTRACT FOR THE PURCHASE OF THE LICENSE PLATE READER HARDWARE COMPONENTS, EXECUTE AN ENTERPRISE SERVICE AGREEMENT DIRECTLY WITH VIGILANT SOLUTIONS, LLC, AND APPROVE THE USE OF FUNDS IN AMOUNT NOT TO EXCEED \$537,384.73.

WHEREAS, the City Council of the City of Carlsbad, California has determined that it is in the public interest in the pursuit of public safety to authorize the police department to expand the License Plate Reader (LPR) program;

WHEREAS, the usage of LPR cameras are part of an overall crime reduction plan to assist the police department in reducing crime and making for a safer community; and

WHEREAS, the City of Carlsbad will enter into a contract for the purchase of the hardware components of 35 LPR cameras and execute an Enterprise Service Agreement with Vigilant Solutions in the amount of \$497,384.73, LLC; and

WHEREAS, the acquisition will include the programming, aiming, software installation, and training, and will include a warranty service for a period of five years; and

WHEREAS, the city will exercise the right to piggy-back clause of the competitively bid solicitation made available by the National Cooperative Purchasing Alliance (NCPA); and

WHEREAS, there would be approximately \$40,000 of additional costs for the physical installation of the cameras; and

WHEREAS, there are sufficient funds available in the FY 2018-19 General Fund operating budget for the implementation of the program expansion in an amount not to exceed \$537,384.73; and

WHEREAS, there are sufficient funds available in the Information Technology FY 2018-19 operating budget for the annual \$15,960 cost required for device inter-connectivity; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. The amount of the LPR system expansion is not to exceed \$537,384.73.
3. The program enhancement will be funded by the FY18-19 Operating Budget.

Exhibit 1

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_\_\_ day of \_\_\_\_\_, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
MATT HALL, Mayor

\_\_\_\_\_  
BARBARA ENGLESON, City Clerk

(SEAL)



**Quote For:**

**Carlsbad Police Department  
Fixed Expansion - 5 Year Plan**

***NCPA RQN #2018-2096596257***  
**NCPA Contract No. 12-10**

**Quoted By:**

**Vigilant Solutions, LLC  
Greg Mills**

**Date: 08-06-18**

**Be Smart. Be Safe. Be Vigilant.**

		<b>Vigilant Solutions, LLC</b> 1152 Stealth Street Livermore, California 94551 (P) 858-287-0067		<b>Be smart. Be safe.</b> <b>Be Vigilant.</b>	
Attention:	Carlsbad Police Department	Date	8/6/2018		
Project Name:	Fixed Expansion - 5 Year Plan	Quote Number:	GSM-0852-05		

## PROJECT QUOTATION

We at Vigilant Solutions are pleased to quote the following systems for the above referenced project:

Qty	Item #	Description
(6)	Fixed Camera LPR SYS-1 VSF-075-H-RE	<b>Vigilant Fixed LPR Camera with Integrated Smart Processor</b> <u>Hardware:</u> <ul style="list-style-type: none"> <li>Integrated (Internal) solid state DSP Smart processor units - No moving parts <ul style="list-style-type: none"> <li>Plug-N-Play IP based camera with Power Over Ethernet (POE)</li> </ul> </li> <li>Includes field installed J-Box</li> <li>75mm LPR Camera(s) with IR and Color video <ul style="list-style-type: none"> <li>Includes RAM mounting bracket</li> </ul> </li> </ul> <u>Software:</u> <ul style="list-style-type: none"> <li>Direct connect to Vigilant's nationally hosted LEARN LPR data server <ul style="list-style-type: none"> <li>Includes CarDetector LPR software for local server hosting</li> </ul> </li> <li>LPR vehicle license plate scanning / real time alerting <ul style="list-style-type: none"> <li>Full suite of LPR tools including data analytics</li> </ul> </li> </ul>
(14)	Fixed Camera LPR SYS-2 (2)VSF-075-H-RE	<b>Vigilant Fixed LPR Camera with Integrated Smart Processor</b> <u>Hardware:</u> <ul style="list-style-type: none"> <li>Integrated (Internal) solid state DSP Smart processor units - No moving parts <ul style="list-style-type: none"> <li>Plug-N-Play IP based camera with Power Over Ethernet (POE)</li> </ul> </li> <li>Includes field installed J-Box</li> <li>75mm LPR Camera(s) with IR and Color video <ul style="list-style-type: none"> <li>Includes RAM mounting bracket</li> </ul> </li> </ul> <u>Software:</u> <ul style="list-style-type: none"> <li>Direct connect to Vigilant's nationally hosted LEARN LPR data server <ul style="list-style-type: none"> <li>Includes CarDetector LPR software for local server hosting</li> </ul> </li> <li>LPR vehicle license plate scanning / real time alerting <ul style="list-style-type: none"> <li>Full suite of LPR tools including data analytics</li> </ul> </li> </ul>
(20)	BCAE1F1	<b>Four Camera Reaper Interface Box with cellular router and Verizon Modem</b> <ul style="list-style-type: none"> <li>Complete communications and power management solution for up to four (4) Reaper fixed cameras</li> <li>Includes power management and voltage protection for all components, as well as a router for cellular communications between the cameras and the agency's LEARN account</li> <li>Includes Verizon modem</li> <li>Private WiFi access point for administrative access to cameras</li> <li>Integrated GPS with integrated NTP server for accurate time stamps on all detections</li> <li>Enclosed in a vented NEMA 3R enclosure with fan for cooling</li> <li>Operational temperature spec -20C to 50C ambient</li> </ul>
(34)	VS-FX-UNI-POLE- WALL-BRKT_REV_B	<b>Fixed LPR Camera Bracket</b> <ul style="list-style-type: none"> <li>Pole or Wall Mount - UPR ARM ASSY POLE &amp; WALL MOUNT-BLK REV B</li> </ul>

August 21, 2018

Item #7

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(9)	REAPER-CAM-CBL-REVB-30FT	<b>Reaper SD Camera Cable</b> <ul style="list-style-type: none"> <li>• 30FT cable for Reaper SD cameras</li> </ul>
(20)	REAPER-CAM-CBL-REVB-60FT	<b>Reaper SD Camera Cable</b> <ul style="list-style-type: none"> <li>• 60FT cable for SD Reaper cameras</li> </ul>
(5)	VSBSCSVC-04	<b>Vigilant LPR Basic Service Package for Hosted/Managed LPR Deployments</b> <ul style="list-style-type: none"> <li>• Managed/hosted server account services by Vigilant <ul style="list-style-type: none"> <li>◦ Includes access to all LEARN or Client Portal and CarDetector software updates</li> </ul> </li> <li>• Priced per camera per year for over 60 total camera units</li> <li>• Requires new/existing Enterprise Service Agreement (ESA)</li> </ul>
(34)	CDFS-4HWW	<b>Fixed Camera LPR System - Extended Hardware Warranty - Year 2 through 5</b> <ul style="list-style-type: none"> <li>• Fixed LPR System LPR hardware component replacement warranty</li> <li>• Applies to 1-Channel hardware system kit</li> <li>• Valid for 4 years from standard warranty expiration</li> </ul>
(34)	SSU-SYS-COM	<b>Vigilant System Start Up &amp; Commissioning of 'In Field' LPR system</b> <ul style="list-style-type: none"> <li>• Vigilant technician to visit customer site</li> <li>• Includes system start up, configuration and commissioning of LPR system</li> <li>• Applies to mobile (1 System) and fixed (1 Camera) LPR systems</li> </ul>
(3)	VS-TRVL-01	<b>Vigilant Travel via Client Site Visit</b> <ul style="list-style-type: none"> <li>• Vigilant certified technician to visit client site</li> <li>• Includes all travel costs for onsite support services</li> </ul>
(34)	VS-SHP-02	<b>Vigilant Shipping &amp; Handling Charges</b> <ul style="list-style-type: none"> <li>• Applies to each fixed camera LPR System</li> <li>• Shipping Method is FOB Shipping</li> </ul>
<b>Subtotal Price</b> (Excluding sales tax)		<b>\$471,317.52</b>

Consider the “add” price for the following items:

Qty	Item #	Description
(1)	Tax	Tax on hardware at 7.75%
<b>Subtotal Price</b>		<b>\$26,067.21</b>

#### Quote Notes:

1. All prices are quoted in USD and will remain firm and in effect for 60 days.
2. Orders requiring immediate shipment may be subject to a 15% QuickShip fee.
3. No permits, start-up, installation, and or service included in this proposal unless explicitly stated above.
4. Compliance to local codes neither guaranteed nor implied.
5. This Quote does not include anything outside the above stated bill of materials.
6. 5 Years of services and hardware warranty associated with the equipment included.
7. Will add CLKs to existing ESA.
8. No installation or additional items included.
9. Discounted pricing valid through November, 30, 2018.
10. NCPA RQN #2018-2096596257

Total Price	\$497,384.73	Includes all "adds"
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## Proposed LPR Camera Locations





JOINT CITY COUNCIL AND  
CARLSBAD MUNICIPAL WATER DISTRICT

## Staff Report

**Meeting Date:** Aug. 21, 2018  
**To:** Mayor/President and City Council/Board  
**From:** Scott Chadwick, City Manager  
**Staff Contact:** Steven Stewart, Municipal Projects Manager  
[Steven.Stewart@Carlsbadca.gov](mailto:Steven.Stewart@Carlsbadca.gov) or 760-602-7543  
**Subject:** Amendment No. 3 to the Professional Services Agreement with Roesling, Nakamura Terada Architects, Inc. and additional project funding for the Orion Center.

### Recommended Action

Adopt a Resolution authorizing Amendment No. 3 to the Professional Services Agreement with Roesling, Nakamura, Terada Architects, Inc. (RNT) to incorporate additional work scope into the bridging documents for the Orion Center, Project No. 3572 (Project), in an amount not to exceed \$320,000, and an additional net appropriation of \$16,505,000.

### Executive Summary

Additional funding is requested to expand the scope of the Project to maintain consistency with the city's Climate Action Plan, add infrastructure for flexible work space, centralize the city's material storage yards, add Police Department evidence storage and add a parking structure to the Project. To incorporate this additional work scope, staff seeks City Council approval for the professional design services associated with this work and additional Project funding. City Council authorization of the Amendment is required per Carlsbad Municipal Code section 3.28.060(D), as the value for this work is greater than \$100,000.

### Discussion

Over the past 30 years, the city's goal has been to co-locate several geographically separate operations into one facility: Public Works General Services Division located at 405 Oak Street; Public Works Construction Management & Inspection Division located at 1635 Faraday Avenue; Carlsbad Municipal Water District (CMWD) located at 5950 El Camino Real; and the Parks Maintenance yard located at 1166 Carlsbad Village Drive. Co-location results in increased efficiency of operations, reduced environmental impacts to the community, improved cross-training and collaboration, and opportunities to repurpose the Oak yard, Parks Maintenance yard and the CMWD site.

The city's commitment to create a centralized work environment to increase the efficiency and effectiveness of its operations was set forth in 1988, when a financial plan to fund the construction of a new Maintenance and Operations Center was established. The Project name was recently changed to the Orion Center. On April 26, 2011, the City Council approved Resolution No. 2011-082 to authorize the design-build development of the Orion Center

adjacent to the existing City of Carlsbad Fleet Maintenance Building and City of Carlsbad Safety and Service Center.

Following this authorization, the city conducted an internal review of its operations and space needs. However, the Project was placed on hold to allow for the completion of a multi-year study conducted by Baker Tilly. Completed in 2014, the study found that the Orion Center would help facilitate operational efficiencies between the Public Works General Services, Construction Management & Inspection and Utilities Divisions, and the Parks & Recreation Parks Maintenance and Tree Maintenance Divisions. The new Orion Center would also create financial opportunities by allowing for the repurposing of three city facilities located at 405 Oak Avenue, 1166 Carlsbad Village Drive and 5950 El Camino Real. The combined value of these three facilities is approximately \$20 million as determined through recent real estate valuations.

On Oct. 20, 2015, the City Council approved Resolution No. 2015-266 approving a Professional Services Agreement with RNT for the development of bridging documents, complete with site entitlements, preliminary design, 30 percent design development drawings, performance specifications and a preliminary cost estimate in preparation for a design-build proposal solicitation in an amount not to exceed \$660,864. In April 2016, RNT presented staff with a conceptual design for the Project that was based upon the available Project fund balance and the program needs identified. At that time, RNT's construction cost estimate, combined with Project soft costs (e.g., staff time, outside consultants), totaled \$25.1 million.

In July 2016, the city manager directed staff to analyze the highest and best use of the property. Staff worked with RNT to further develop the conceptual design and ensure that the new facility aligned with the goals of the city's Climate Action Plan, included flexible work space, a centralized materials storage yard and addressed the Police Department's needs related to the storage of property and crime evidence. The proposed amendment to the Professional Services Agreement with RNT will increase the compensation by an amount not to exceed \$320,000 to incorporate the changes in the Project scope of work into the bridging documents.

As a result of these efforts, the Project is consistent with the Climate Action Plan by accommodating solar photovoltaic arrays to offset the energy demand generated by the new facility and electrical vehicle charging stations. The Project includes infrastructure to provide room for flexible workspace(s) and warehouse space, sufficient room for a materials storage yard onsite through the addition of a parking garage, and centralized and secure property and crime evidence storage for the Police Department.

In regard to the city's Climate Action Plan, this Project is consistent with Measures G, I and M within the Climate Action Plan. Additionally, this Project will result in meeting objectives of the city's Energy Conservation and Management Policy No. 71.

- Action G-2 states: *"Commission city facilities to improve building operations and reduce energy costs, with a goal of 40 percent energy reduction in 30 percent of city facility square footage"*. The Project is estimated to save \$3.3 million in energy costs over 30 years.

- Action I-3 states: *“Evaluate the feasibility of adopting a minimum natural lighting and ventilation standard, based on local conditions”*. The Project will require the use of day lighting and natural ventilation as part of the basis of design.
- Action M-2 states: *“Incorporate renewable energy measures such as PV system installation on city buildings and parking lots, or microturbine installation on city facilities, with a goal of producing approximately 12,000 megawatt hours per year”*. The Project will incorporate PV on the roof of the office building and parking garage.

Council Policy 71 states:

- (1) Paragraph 2 Construction of Civic Facilities, subparagraph a: *“Design and construct mechanical and electrical systems to achieve the maximum energy efficiency achievable with current technology”*. This requirement will be incorporated within the design criteria of the Project’s design-build bridging documents.
- (2) Paragraph 3 Building Maintenance and Operation: *“Standardized energy management and control systems shall be utilized in all Civic Facilities to minimize energy consumption”*. This requirement will be incorporated within the design criteria of the Project’s design-build bridging documents.

#### **Fiscal Analysis**

To achieve the objectives stated herein, an additional net appropriation in the amount of \$16,505,000 is needed. An additional appropriation of \$15,221,000 is needed from the Community Facilities District #1 Fund and an additional appropriation of \$2,660,000 is needed from the Recycled Water Capital Replacement Fund. A \$1,028,000 reduction in appropriation from the Potable Water Capital Replacement Fund, and a \$348,000 reduction in appropriation from the Sewer Replacement Fund is needed to balance the Project funding sources, thus yielding a net appropriation needed of \$16,505,000. The current available funds and estimated Project costs are shown below in the following tables:

<b>ESTIMATED PROJECT COSTS FOR THE ORION CENTER, PROJECT NO. 3572</b>	
Construction Contract (estimated)	\$30,445,000
Construction Contingency	3,044,500
Soft Costs (Construction Management, Design and Staff Time)	2,495,500
Construction Cost Escalation	7,255,000
<b>TOTAL ESTIMATED CONSTRUCTION COSTS</b>	<b>\$43,240,000</b>

<b>PROJECT FUNDING SOURCES</b>	<b>UPDATED PROJECT ESTIMATE</b>	<b>EXISTING PROJECT BUDGET</b>	<b>ADDITIONAL APPROPRIATION NEEDED</b>
Community Facilities District #1 Fund	\$29,940,000	\$14,719,000	\$15,221,000
Potable Water Capital Replacement Fund	6,650,000	7,678,000	(1,028,000)
Recycled Water Capital Replacement Fund	2,660,000	0	2,660,000
Sewer Replacement Fund	3,990,000	4,338,000	(348,000)
<b>TOTAL</b>	<b>\$43,240,000</b>	<b>\$26,735,000</b>	<b>\$16,505,000</b>

### **Next Steps**

Staff will solicit requests for proposals from prospective construction management consultants and will return to the City Council in the fall for the authorization to hire the selected consultant. When the bridging documents are completed and a conditional use permit is approved by the city, staff will return to the City Council in the spring of 2019 for approval of the bridging documents and authorization to advertise for design-build proposal solicitation.

### **Environmental Evaluation (CEQA)**

Approval of the funding and amendment to the Professional Services Agreement involves a feasibility or planning study for possible future actions that the city and CMWD have not yet approved, and is therefore statutorily exempt from CEQA under CEQA guidelines, Section 15262 (Feasibility and Planning Studies). However, the approval and construction of the Orion Center will require completion of an initial study to determine the level of environmental review that would be required for the Project. This determination will occur upon filing of the Project's discretionary Conditional Use Permit application.

### **Public Notification**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

### **Exhibits**

1. City Council Resolution.
2. CMWD Board Resolution.
3. Location Map.

**RESOLUTION NO.**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD CALIFORNIA, AUTHORIZING AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ROESLING, NAKAMURA, TERADA ARCHITECTS, INC. TO INCORPORATE ADDITIONAL WORK SCOPE INTO THE BRIDGING DOCUMENTS FOR THE ORION CENTER, PROJECT NO. 3572, IN AN AMOUNT NOT TO EXCEED \$320,000, AND AN ADDITIONAL NET APPROPRIATION OF \$16,505,000.

WHEREAS, City Council has determined that it is desirable and in the best interest of the community to co-locate city maintenance and operations staff at one central location to optimize efficiency, collaboration, and teamwork across five divisions; and

WHEREAS, on Oct. 20, 2015, City Council approved a Professional Services Agreement with Roesling, Nakamura, Terada Architects, Inc. (RNT) for an amount not to exceed \$660,864 to provide bridging consulting services for the Orion Center, Project No. 3572, by adoption of Resolution No. 2015-266; and

WHEREAS, two subsequent amendments to the Professional Services Agreement with RNT have been executed in the amount of \$14,387; and

WHEREAS, city staff have evaluated the current and future office space needs of the maintenance and operations staff working in the Public Works and Parks & Recreation Departments; and

WHEREAS, city staff have worked with the Police Department to understand their evidence storage needs; and

WHEREAS, city staff and RNT have negotiated a scope of work and fee not to exceed \$320,000 to provide the additional bridging consulting services as described in Amendment No. 3 to the Professional Services Agreement; and

WHEREAS, an additional appropriation of \$15,221,000 from the Community Facilities District No. 1 Fund is needed to build a facility that accommodates these space and storage needs and is compliant with the city's Climate Action Plan and is available; and

WHEREAS, an additional appropriation of \$2,660,000 from the Recycled Water Capital Replacement Fund (see Exhibit 2), a \$1,028,000 reduction in appropriation from the Potable Water

Capital Replacement Fund, and a \$348,000 reduction in appropriation from the Sewer Replacement Fund is needed to balance the Project funding sources, thus yielding a net appropriation needed of \$16,505,000, as reflected in the Staff Report Fiscal Analysis table.

NOW, THEREFORE, BE IT RESOLVED by the Carlsbad Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the mayor is authorized and directed to execute Amendment No. 3 to the Professional Services Agreement with RNT for an amount not to exceed \$320,000, which is attached hereto as Attachment A.
3. That the finance director is authorized to appropriate funds in the amount of \$15,221,000 for the Orion Center, Project No. 3572, from the Community Facilities District No. 1 Fund for additional bridging document design, and design-build construction costs.

PASSED, APPROVED AND ADOPTED at a Special Meeting of the City Council of the City of Carlsbad on the \_\_ day of \_\_\_\_\_, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
MATT HALL, Mayor

\_\_\_\_\_  
BARBARA ENGLESON, City Clerk

(SEAL)

**AMENDMENT NO. 3 TO AGREEMENT FOR BRIDGING CONSULTANT SERVICES  
FOR THE MAINTENANCE AND OPERATIONS CENTER  
ROESLING, NAKAMURA, TERADA ARCHITECTS, INC.**

This Amendment No. 3 is entered into and effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2018, extending and amending the agreement dated October 21, 2015, (the "Agreement") by and between the City of Carlsbad, a municipal corporation, ("City"), and Roesling, Nakamura, Terada Architects, a California corporation, ("Contractor") (collectively, the "Parties") for building design and the development of bridging documents.

**RECITALS**

A. On August 30, 2016, the Parties executed Amendment No.1 to the Agreement to include an evaluation of four alternate site concept options; and

B. The Parties desire to alter the Agreement's scope of work to include bridging documents for additional office and warehouse space, parking garage, photovoltaic panel system, and storage space for the maintenance and operation site; and

C. The Parties desire to extend the Agreement for a period of two (2) years; and

D. The Parties have negotiated and agreed to a supplemental scope of work and fee schedule, which is attached to and incorporated in by this reference as Exhibit "A", Scope of Services and Fee.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, City and Contractor agree as follows:

1. In addition to those services contained in the Agreement, as may have been amended from time to time, Contractor will provide those services described in Exhibit "A". With this Amendment, the total Agreement amount shall not exceed nine hundred ninety five thousand two hundred fifty one dollars (\$995,251).

2. City will pay Contractor for all work associated with those services described in Exhibit "A" on a time and materials basis not-to-exceed three hundred twenty thousand dollars (\$320,000). Contractor will provide City, on a monthly basis, copies of invoices sufficiently detailed to include hours performed, hourly rates, and related activities and costs for approval by City.

3. Contractor will complete all work described in Exhibit "A" by October 21, 2021.

4. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect.

5. All requisite insurance policies to be maintained by the Contractor pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

6. The individuals executing this Amendment and the instruments referenced in it on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions of this Amendment.

## CONTRACTOR

ROESLING, NAKAMURA, TERADA  
ARCHITECTS, a California corporation

By: 

(sign here)

RALPH ROESLING, PRINCIPAL

(print name/title)

CITY OF CARLSBAD, a municipal  
corporation of the State of California

By: \_\_\_\_\_

MATT HALL  
Mayor

ATTEST:

By: 

(sign here)

ROMMEL OLAS, SECRETARY

(print name/title)

BARBARA ENGLESON  
City Clerk

If required by City, proper notarial acknowledgment of execution by Contractor must be attached. If a corporation, Agreement must be signed by one corporate officer from each of the following two groups:

Group A  
Chairman,  
President, **or**  
Vice-President

Group B  
Secretary,  
Assistant Secretary,  
CFO **or** Assistant Treasurer

**Otherwise**, the corporation **must** attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

APPROVED AS TO FORM:

CELIA A. BREWER, City Attorney

BY: \_\_\_\_\_

Deputy City Attorney

**EXHIBIT "A" - Scope of Services and Fees****Task Outline:****Task 1.0 - Additional Meetings / Schedule Update**

Additional project meetings and schedule update

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**\$12,692****Task 2.0 - Project Research & Information Gathering**

Review existing plans &amp; project research and update

Team site visit &amp; survey

Site Civil Survey &amp; Drainage Study Coordination and update

Geotechnical Study Coordination

Environmental Constraints Studies and update

Opportunities and Constraints Report

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**\$11,804****Task 3.0 - Revision of Program Verification**

Stakeholder Meetings (7). Program to be revised to include space for Construction Management and Inspection group within the Public Works Department.

Programming Verification Report & Area Tabulations

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**\$11,838****Task 4.0 - Pre-Schematic Design Revisions**

Pre-Schematic Design

Pre-Schematic Architectural Plans to be revised

Pre-Schematic Civil Grading and Drainage Plans to be revised

Pre-Schematic Landscape Plan to be revised

Detailed Project Schedule

Pre-Schematic Cost Estimate to be revised

City of Carlsbad Meetings (2) Presentation (1) to present new scope

Revisions & Approvals

---

**\$87,328****Task 5.0 - Bridging Document Phase (Schematic Design)**

The Bridging Consultant team will prepare the design diagrams, room data sheets, basis of design criteria, performance specifications and other project-specific materials in sufficient enough to provide the basis for competitive procurement as required by the City of Carlsbad. In addition, the Bridging Documents, Building and Site Diagrams and Basis of Design narratives shall specify the exact or minimum amount of usable floor areas required and the environmental conditions (power, light, heating, cooling, ventilation, etc.) required in each programmed space; and, as appropriate, specific design directives and design configuration in specific programmed spaces. The complete bridging document package will be submitted to the City for review and comment. The City may engage a third party consultant to review, provide comment and develop an

estimate for the project. The Bridging Consultant shall work with the City and the third party consultant to respond to issues as necessary.

The document deliverables are as follows:

Site Permit Submittal Drawings and Basis of Design Narrative  
 Site Development Plans and Basis of Design Narrative  
 Architectural Diagrammatic Floor Plans, Elevations Sections and Basis of Design  
 Civil grading and Drainage Diagrams and Basis of Design Narrative  
 Landscape Plans  
 Mechanical, Electrical, Plumbing & Basis of Design Narrative  
 Structural Basis of Design Narrative  
 Bridging Document Cost Estimation by City  
 Schematic Specifications

**\$134,268**

#### **Task 6.0 - Entitlement Strategy Plan Revisions**

The Bridging Consultant will initiate the CUP process using plan diagrams but will coordinate and collaborate with the City of Carlsbad and an awarded design-build team to provide criteria and requirements that will allow a design-build team to complete a CUP process using the design-build's team's drawings. The Bridging Consultant will perform the following to meet the project goal of attaining a Conditional Use Permit.

**\$2,112**

#### **Task 7.0 - Project Bid, Award, Design & Construction Support**

The Bridging Consultant will provide services as necessary to support the project and to ensure that the project criteria are clear to the design-builder. All work shall comply with applicable laws, regulations and building codes, including, where applicable, laws requiring the payment of prevailing wages as set forth in Labor Code Section 1770, et seq. Notwithstanding the foregoing, the City may, in its sole discretion, elect to utilize the design-bid-build project delivery methodology instead of the design-build methodology, and ask Consultant to serve as the City's Architect of Record. In such case, the City shall provide Consultant with a proposed revised Scope of Services whereby Consultant shall serve as the Architect of Record and perform such other services customarily provided by similar architects on similar projects which the City may, in its sole discretion request. Consultant shall negotiate in good faith appropriate amendments to the Professional Services Agreement to reflect resulting changes to the Services, Consultant's compensation, etc.

Bid Support / Evaluate:  
 RFP and RFQ Documents  
 Review Selected Teams Designs (30% & 90% Review)  
 RFI/Substitution Review  
 Construction Administration (1.5 year timeline, 2 phases)  
 Construction Progress Meetings

Design Intent Reviews (30% & 90% Review)

\$41,692

Less Previous Scope to develop design documents in Revit

(\$35,000)

Total Architectural Services Fee

\$266,744

Total Consultant Services Fee and contingency

\$53,256

**TOTAL ADDITIONAL SERVICES FEE****\$320,000**

**RESOLUTION NO.**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CARLSBAD MUNICIPAL WATER DISTRICT BOARD (CMWD), APPROPRIATING ADDITIONAL FUNDS OF \$2,660,000 FOR THE ORION CENTER, PROJECT NO. 3572.

WHEREAS, the Board of Directors has determined that it is desirable and in the best interest of the community to co-locate city maintenance and operations staff at one central location to optimize efficiency, collaboration, and teamwork across five divisions; and

WHEREAS, city staff have evaluated the current and future office space needs of the maintenance and operations staff working in the Public Works and Parks & Recreation Departments; and

WHEREAS, city staff have worked with the Police Department to understand their evidence storage needs; and

WHEREAS, an additional appropriation of \$2,660,000 from the Recycled Water Capital Replacement Fund is needed to build a facility that accommodates these space and storage needs and is compliant with the city's Climate Action Plan and is available; and

WHEREAS, the completed bridging documents will be of sufficient detail to be used for the solicitation of design-build contractor statements of qualifications and subsequent proposals.

NOW, THEREFORE, BE IT RESOLVED by the Carlsbad Municipal Water District Board of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the president of the Board hereby authorizes the finance director to appropriate \$2,660,000 from the Recycled Water Capital Replacement Fund for the Orion Center, Project No. 3572, for additional work scope costs.

PASSED, APPROVED AND ADOPTED at a Special Meeting of the Carlsbad Municipal Water District of the City of Carlsbad on the \_\_\_ day of \_\_\_\_\_, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

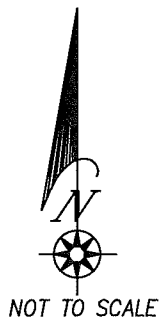
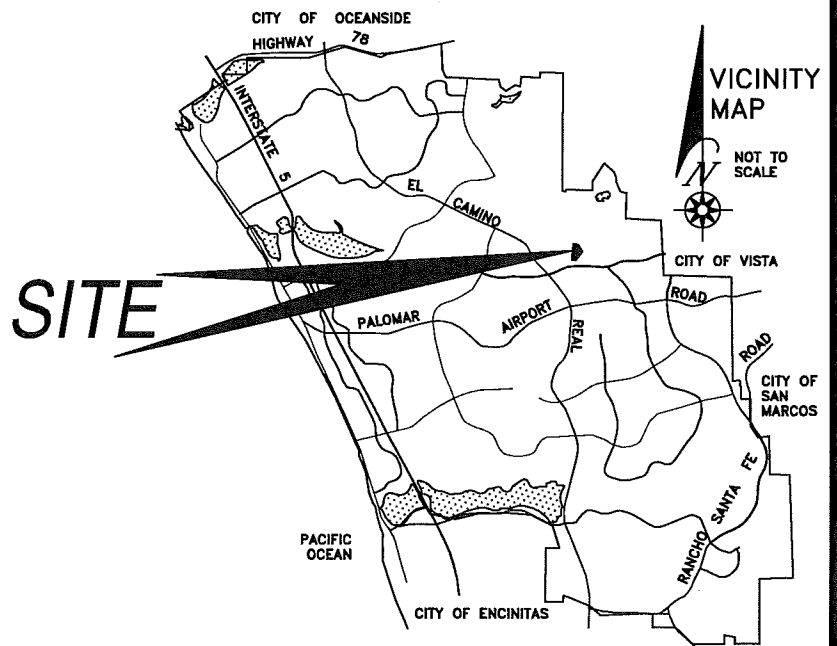
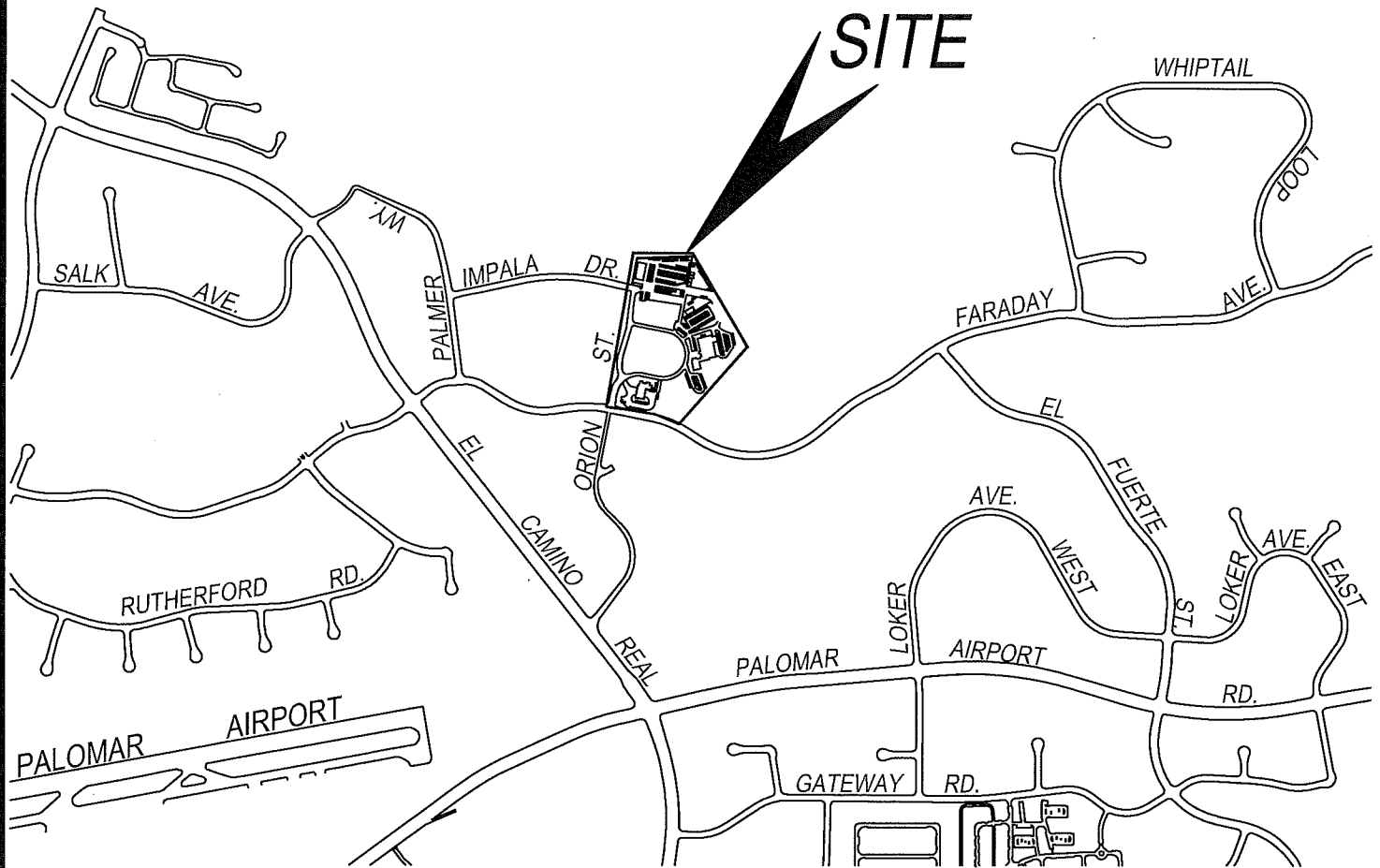
\_\_\_\_\_  
MATT HALL, PRESIDENT

\_\_\_\_\_  
BARBARA ENGLESON, SECRETARY

(SEAL)

# LOCATION MAP

EXHIBIT 3



PROJECT NAME

ORION CENTER

EXHIBIT

3

August 31, 2018

Item #8

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